(net)working to the top

ABOUT GROWING A SMALL FASHION BUSINESS AND WHAT OBSTACLES TO OVERCOME

Final Thesis

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This graduation project symbolises the last part to complete my circle at the AMFI. It has been years filled with inspiring, challenging and above all very valuable lessons. It has enriched me as a person and as a professional. Getting to graduate would not have been possible without the sincere support and guidance of some very special people around me and for that I am very grateful. A big thanks to my boss at Company X for taking me in to her business and giving me the opportunity to learn so much about the industry and the craft of entrepreneurship. Her passion and drive for her business have inspired me for this research project. Furthermore, a very special thanks to all the professionals who have provided me with valuable insights into their businesses to help me complete this study.

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EXECUTIVE SUMMARY

Many independent entrepreneurs start their businesses in the hopes of growing out into a successful enterprise. Generally, only 50% of the newly entered independent contractors survive after 5 years of establishment and in the fashion industry that number is even more suppressed: only 39% of newly started fashion businesses are able to set solid foot on the industry’s grounds after 5 years of establishment (INretail, 2015). The expenditure numbers in fashion are in recovery after the crisis, the Dutch expenditures in apparel and footwear have been 14.6 billion in 2014, which is 5.6% of the total expenditures (Fashion United, 2015). While the demand for apparel is growing, a steady supply by fashion companies can strengthen the position of the Dutch Creative Industry topsector in the European economy.

Reality proved that is often a hard task to get a small fashion company to grow out until the business is steady. Operational management is key and desires all attention from the entrepreneur, because it is the part of a strategy where a manager has direct control over. In this thesis, I am researching what the obstacles are that these entrepreneurs run into and eventually I am looking for a fit solution. Therefore the research questions that I am answering in this thesis are:

“What are the issues that small fashion companies face in obstruction to their growth?”

To answer this main question I have to ask further questions:

1. What is the definition of a small fashion company and how is their growth defined?
2. What are the complicating factors of the fashion industry?
3. How does a company deal with the struggle to grow?
4. What are offers in the market that can help fashion companies overcome the growth issues?

A small fashion company is defined as a small- and medium enterprise (SME) or sole proprietorship. I can state that I’m reviewing the microenterprise category of SME’s in small fashion businesses: companies that are listed as a sole proprietorship (i.e. being lead by a single person and in case of outsourcing work hiring other freelancers to partner with) or a limited company (Ltd.) with less than 10 employees. In the case study I am zooming in to a company with a single owner of a young fashion business. Therefore, this research applies to fashion companies that are in the first part of their lifecycle and are before-or in the ‘existence-‘ or ‘survival phase’ of their business (Youngwirth, 2013; p. 24).
There are many visions and theories on what growth entails for a business, but the Five Stages of Growth theory (Churchill and Lewis, 1983) can offer a tool to zoom into the different phases of a company’s growth and the crisis stages that go along with that. Sustainably, growth seems to be a degree of being able to achieve emotional and financial success, in which the emotional success influences the customers as well as the entrepreneur itself and it should reflect the company goal.

The fashion industry is a complicating factor for the businesses involved in it, because there are many outside influences that a company owner has no influence on at all. “The peculiar nature of fashion industry can be characterized in terms of its volatility, velocity, variety, complexity and dynamism... Fashion reflects the change in aesthetic, economic, political, cultural, and social life... The fundamental problem in fashion industries is that the time it takes to source materials, convert them into products and move them into the market place is invariably longer than the time the customer is prepared to wait” (Ciarniené and Vienažindiené, 2014).

An in-depth view on how a real time company is dealing with these growth issues, is given in the case study with Company X. Growing a company from a young- to an adult phase often means that there is an increase in labour outside the expertise of the entrepreneur. The experience of Company X has taught that with every step taken in the growth strategy, the brand identity should always be kept in mind and the company owner is the one to take the lead in that. By having access to the right knowledge and by doing constant market research the entrepreneur can keep a managing role in the business instead of a performing one. Expanding the team with people of the right expertise becomes critical but is complicated by the fact that the budget is still very limited. The company get stuck in a vicious circle, where a lack of budget obstructs the ability of investing in the team or the collection, but a the same time a growing team or collection could help growing the budget. A way around this problem could be in either:

- **Delegation**: hiring cheaper people to fulfil assisting jobs by using a new, non-traditional hiring- or network platform and/or;

- **Education**: Getting educated so the company owner has a better ability to take on the fashion management tasks next to the operational ones.

The current offer in the market to help a small fashion company deal with these growth struggles can be found with HTNK and Fashion United. These platforms function as employment agencies and bring the right people to the brands in need. A gap in the market is still open for a platform that offers a full portfolio of education and employment, because maintaining high work quality has proved to be very important. “Independent brands have to start collaborating in order to be a counterweight for the big chains. They too need to work on a distinguishing formula and faster changing collections” (Rabobank Cijfers en Trends, 2015).

In short, the answer to the main research question ‘what issues small fashion companies face in obstruction to their growth?’ can be: Dealing with the highly uncertain fashion industry, the issues can be found in internal management
and strategic decisions. Small fashion businesses struggling to grow past a certain size should be zooming in to specific management problems instead of reviewing the overall business performance to find out what combination of knowledge and skills is required to solve those issues. Building the right network on lower costs than usual, to both outsource work and obtain more knowledge on the industry and the company strategy, is key to overcoming these operational hurdles.
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1.0 INTRODUCTION

1.1 Rationale

I’ve always been a very independent person and ever since I was little I have played with the idea of becoming an entrepreneur: to start my own business, become successful and truly have heart for what I do. I’ve always believed that motivation is the first drive for success. Having your own business often means that the people involved are more motivated for the business to succeed, but the reality of reaching that success requires an entire field of expertise that reaches beyond just motivation and dedication alone.

I was able to gain personal insight into the conflicts of leading a small fashion business when I started working for a small brand focused on luxury knitwear (Company X) as an assisting product manager. The wonders of a small company like that, especially for a fashion student like myself, is that you are involved in every part of the brand process and I was able to observe the full operational processes behind establishing the collection and defining the brand’s identity. As often seen in small starting businesses like Company X everything is run by just a single person while from design to production, marketing and sales, every part in the management process needs equal attention in order to generate a solid customer base and most importantly to start making profit.

My work was filled with amazements, not only because so many parts of my study proved to be remarkably applicable, but also because I noticed that small companies like these are able to survive merely on of the passion of its creators. It proved that intrinsic motivation and rewards are more important to keep going than the external ones (Makim, 2011). Entrepreneurs are facing the amazingly complex system of growing a young fashion business, since it revolves around battling to get out of a vicious circle: you need turnover to generate growth, to generate turnover you need clients, to get the clients you need exposure and for exposure you need liquidity from turnover.

As an outsider it is very easy to observe a company and check the missing boxes for gaining growth and success: an online shop, more exposure, an increased number of sales channels, etc. However, reality taught me that these company owners are well aware of what are the missing keys to success, but they are simply unable to implement their growth strategy due to a lack of liquidity and manpower. While battling with these internal issues, the company simultaneously deals with the complicated system of the fashion industry.

1 For privacy reasons the name of the company and its owner has been replaced by ‘Company X’ and ‘Owner X’.
1.2 Relevance

The creative industry is one of the fastest growing topsectors of the Dutch economy (Rijksdienst voor Ondernemend Nederland, 2015). It is a source of innovation for all different economic sectors and provides a large part of the new entering businesses each year (ibid.). The vast majority, 99%, of the young creative companies are started by independent individuals (KVK, 2015). They enter the market in high hopes of making good profits and being able to sell their products, but they often appear to have difficulties growing past the size they were when they just entered the industry. In case the company does manage to experience growth, the management suffers loss in productivity because they cannot solely focus on the product any longer (de Jong, 2015). Generally, only 50% of the newly entered independent contractors survive after 5 years of establishment and in the fashion industry that number is even more suppressed: only 39% of newly started fashion businesses are able to set solid foot on the industry’s grounds after 5 years (INretail, 2015). Due to the changing nature of the fashion industry, not only young businesses are threatened to collapse. Established brands are also not secured of survival: this year two of The Netherlands’ biggest retailers, Sister companies Miss Etam and Promiss, filed for bankruptcy after 93 years (Miss Etam, 2015). It shows the importance to research the complicated influences of the fashion industry on the growth processes of the businesses in it.

The Dutch expenditures in apparel and footwear have been 14.6 billion in 2014, which is 5.6% of the total expenditures (Fashion United, 2015). The urge for improving the growth and success rates of fashion companies can be derived from these high expenditure numbers: they show the contribution of the apparel industry to the total expenditure in the economy. While the demand for apparel is growing, a steady supply by fashion companies can strengthen the position of the Dutch creative industry topsector in the European economy.

1.3 Aim

As a soon to be fashion professional, possibly in the future entering the market with my own brand, I would like to find out what the obstacles and opportunities are to becoming a successful fashion entrepreneur. I will research the limitations and growth opportunities of small, starting fashion companies so especially the new entries in the fashion industry can get insight into the possibilities and restrictions to growing their businesses. The outcome of this research paper will serve as a starting point for my product that offers a possible relief to the internal management issues that obstruct growth.

1.4 Research Formulation

To give direction to my research, I will have to clarify the research questions that I will have to answer in order to draw a suitable conclusion for the matter. The main research question that I will unravel in this report is:

“What are the issues that small fashion companies face in obstruction to their growth?”

To answer this main question I have to ask further questions:

1. What is the definition of a small fashion company and how is their growth defined?
2. What are the complicating factors of the fashion industry?
3. How does a company deal with the struggle to grow?
4. What are offers in the market that can help fashion companies overcome the growth issues?

1.5 Methodology
To gain insight into the complicated growth process of small fashion businesses and the resistances they get to endure, I will firstly give direction to the research by defining the business structure of the fashion companies I will be examining and in what growth phase they usually experience most issues. This part of the research, chapter 2.0, is conducted by reviewing international definitions of small businesses and various traditional growth theories. This analysis will serve as an insight into the possible theoretical curves of a growth process. I will take a closer look into the complicating factors of the fashion industry that oppose the growth process of small businesses. This is conducted by giving a comparison with the structure of the gaming industry within two areas: product valuation and supply chain. This comparison will give a clearer view on how the fashion industry, different from other creative industries, influences the growth course of a business in it.

In chapter 3.0 I will take a closer look into the occurring issues that obstruct the growth of a small fashion business that is within the first five years after establishment. This will be examined in a single case study with Company X. In this chapter I will zoom in to how a current small fashion enterprise is dealing with these issues. I was able to conduct this case study by combining the observations of my personal involvement as a production assistant in this company and taking several interviews with Owner X and other entrepreneurs of similar small businesses. After the observations I made the decision in this part of the report to zoom in to the operational management issues because, as described in this chapter, management decisions have their direct influence on the business performance and therefore the measure and possibilities of growth.

Finally, in chapter 4.0, I will identify the theory on different types of knowledge and skills and what elements of those knowledge and skills are required to contribute to the operational part of a fashion business’ growth process. I will review the existing offer in the market of companies that offer relief to these management growth issues by looking at their way of connecting the fashion businesses to other fashion professionals. This review and the conducted research from previous chapters will help me formulate the final conclusion and my product addressing a possible solution to the growth issues found.

1.6 Limitations
This study has largely been conducted on the grounds of the operational actions within a small fashion business that have their effects on the growth process. In consideration of the following subjects, the outcome of the research might be influenced:

- It can be a study on its own to investigate what it entails to position a brand strongly in the market, which would be a study more directed to marketing. I am aware that a brand cannot grow in the first place without offering a good value proposition.
- The case study in chapter 3.0 is based mainly on the experiences of one company at a certain critical point in the growth curve. Drawing a conclusion from this study could be generalising: other companies might experience a different growth cycle.

- The growth problem is mainly focused on internal management issues, but other components such as marketing, economy, luck or brand concept have their important share of influence on the growth curve as well.
2.0 DEFINITIONS & BACKGROUND

2.1 Definitions

‘What is the definition of a small fashion company and how is their growth defined?’

To outline the research into the complicated growth processes of fashion businesses and the issues they get to endure, I will firstly give some definitions as to what business structures are understood by ‘small companies’ and what their growth entails.

2.2 Small Fashion Companies

The definition of a fashion company is determined by the nature of the products it brings to the market, which in the case of this study, is apparel or footwear. In context to Company X, as examined in the case study in the next chapter, the company should bring out at least one collection per annum, selling either online or in physical stores or combines it in omnichannel sales.

To be able to localize the problems occurring in obstruction of the growth strategy, some definitions have to be specified in order to research the growth issues and to eventually find an in-depth answer. Firstly, to specify what kind of companies are we looking at: what is the definition of a ‘small fashion company’? As reviewed before, most starting companies are filed as sole proprietor or as a small and medium-sized enterprise (SME).

As defined by the Commission of European Communities, officially registered in European Union Law, a SME is defined by the number of employees and the annual turnover/balance sheet and gives three categories (Liikanen, 2003; p.4):

- The category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million.

- Within the SME category, a small enterprise is defined as an enterprise which employs fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 10 million.

- Within the SME category, a microenterprise is defined as an enterprise which employs fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 2 million.
Additionally, the company should be completely autonomous: independent of third party investments and not linked to any other company (ibid.). Since so many of the small fashion businesses are filed as a sole proprietorship and thus are being run by a single person, I can state that I’m reviewing the microenterprise category of SME’s in small fashion businesses: companies that are listed as a sole proprietorship (i.e. being lead by a single person and in case of outsourcing work hiring other freelancers to partner with) or a limited company (Ltd.) with less than 10 employees.

Important to include as well is that small fashion companies dealing with growth issues often are within the first 5 years after establishment. From all industries, the survival rate of companies in the retail business is the lowest: 61% of these companies stop before reaching their fifth year (INretail, 2015). Therefore, this research applies to fashion companies that are in the first part of their lifecycle and are before- or in the ‘existence-’ or ‘survival phase’ of their business (Youngwirth, 2013; p. 24).

### 2.3 Growth

Growth is defined differently for each company and depends on the strategy and concept of each individual brand, therefore it is hard to give one solid definition as to what growth entails for a business. Mainly, the way a company’s growth is measured depends on the relation between the pointers size and turnover (de Jong, 2015; p.6).

Looking at how growth is defined by theory and experts in the industry I’ve come across multiple answers:

Traditionally growth was observed as something in relationship to the size of the company, as Gibrat’s Proportional Law (1930) illustrates (Samuels, 1965). Other studies have shown that that is not necessarily true. The theory of ‘noisy’ selection by Janovic (1982) explains that growth is also an organic process. “This theory emphasizes managerial efficiency and learning by doing as the key factors determining a firm’s growth dynamics. Efficient firms grow and survive, while inefficient firms decline and fail” (Heshmati, 2001).

However, more modern studies plead that growth does not depend on the size of the business: “A number of empirical studies suggest a negative relationship between growth and size, indicating that smaller firms have higher and more variable growth rates, which reduce their survival rate (Mansfield, 1962; Du Reitz, 1975; Hall, 1987; Mata, 1994), while other studies (Singh and Whittington, 1975) have found a positive relationship” (ibid.).

![Figure 1: Traditional model of five stages of small business growth (Churhill and Lewis, 1983)](image_url)
All growth theories that I have come across use the term ‘size’ while describing growth. So what exactly does size mean for a company? Looking at the definition of a SME it depends on the number of people involved in the business and the annual turnover rates. According to Company X, the size of a fashion company can mean the number of sales channels, depth and width of the collection and the number of people involved in the business (investors and-/or employees).

Many growth strategies describe a growth process that can be measured in different stages, where intervals of evolution and crises alternate: growing in size causing the company to either grow into the next stage or fail to further exist. Some of these processes are described as linear (Porter’s generic growth strategy), others are described more so in a wave-shaped motion (Churchill and Lewis, 1983). “Like products, businesses do not move through the cycle at the same speed but unlike most products businesses can stay in the same stage for a considerable period of time” (Scott and Bruce, 1987).

Director of Monki, Harald Dunnink (as cited in de Jong, 2015: p. 6) stated that “growth is that what you contribute to the existence of others plus the contribution to your own happiness divided by if you can live of it”. This statement contains brand elements of the addressed target group (‘existence of others’), the motivation and drive of the company owner (‘own happiness’) and finance. The definition of growth shouldn’t solely be interpreted as something positive; negative growth or continuity could be just as beneficial for an organization.

The drive and passion of the entrepreneur itself is also of great essence for the survival of the company. According to the theory of effectual entrepreneurship, unexpected events that come along shouldn’t be treated as threats, but as opportunities. The study advises entrepreneurs to take the following course of action: “(1) start with your means; (2) set affordable loss; (3) leverage contingencies; (4) form partnerships; (5) create opportunities” (Read, 2011; p. 8-9).

Growth seems to be a degree of being able to achieve emotional and financial success, in which the emotional success influences the customers as well as the entrepreneur itself. The early growing
stage a young, small business is in signifies a critical juncture for either becoming successful or for failure. Operational management is key and desires all attention from the entrepreneur, because it is the part of a strategy where a manager has direct control over. Brand awareness and product innovation are considered the key elements in expansion for entrepreneurs (KVK, 2015). Growth can be the measure in which the vision of the company is acquired by the customers: it creates both growth in turnover as in reach.

2.4 Potential growth issues

Issues in the growth process of a company may occur at a certain time in the process, because new tasks begin to arise for which the entrepreneur itself doesn’t have the skill or knowledge to adapt to. As a Dutch saying says ‘the blood of an entrepreneur creeps where it can’t go’, most entrepreneurs are at the base a creative brain behind an organization, but not necessarily the most equipped people to perform on the job. A general shortage of skills occurs widely throughout small companies in different industries. This also is mostly an matter of operational management. “Overall, while the creative industries is characterised by a potential over-supply of new entrants, there are increasingly instances of skills shortages. The Livingstone-Hope review of video games found 31% of firms believed skills shortages were impacting on their business (the figure for the visual effects industry as a whole is 38%), with 17% of larger firms having to fill vacancies with overseas recruits. The sub-sector is worth more than £2bn in global sales but is potentially being held back by a shortage of young people studying science and maths at school, and a lack of high-quality specialist HE courses. More broadly, skills shortages include generic skills such as sales and marketing, as well as specific shortfalls in pattern cutting and grading, and textile technologists; and support roles in craft skills – for example in the film industry – for carpenters, painters, wig and model makers. There are two key factors underlying skills shortages within the creative industries that need to be addressed: (1) Changes in the global skills environment and; (2) Domestic shortages of individuals with the right skill sets” (Nathan, 2011).

2.5 Growing in the fashion industry

‘What are the complicating factors of the fashion industry?’

Now knowing what growth entails for small businesses in general, what are the specific characteristics to the fashion industry compared to others that makes growth for the companies in it so difficult?

The fashion industry has several distinguishing characteristics that have their effect on the growth process of the companies involved in it. “The peculiar nature of fashion industry can be characterized in terms of its volatility, velocity, variety, complexity and dynamism… Fashion reflects the change in aesthetic, economic, political, cultural, and social life.” (Ciarniené and Vienažindienė, 2014). Mapped out in figure 4 (ibid.), it shows the contributing factors of the fast and changeable fashion industry.

Comparing these characteristics to another industry in the creative sector, for this example taking the game industry, I will give a comparison of how the two industries deal with the influences occurring in the businesses involved based on two elements: product valuation and the supply chain.
2.6 Comparing product valuations

The gaming industry copes with a relatively similar shelf life of products to fashion: once the product has been brought out there are already new developments on the next version. A big difference for the game industry to the fashion industry though, is that generally the rule can be applied that “the more development time, the better the product in terms of technology and digitally applied innovation” (de Jong, 2015). The fashion industry is bound to a relatively traditional seasonal structure. The development of a collection is therefore always bound to a limited timeframe that the clothing can be sold in stores. The trend forecast of fashion trends can only be done shortly before the development of the collection, because their trends are also highly influenced by prevailing cultural and social developments. Also, even when there is availability of time and resources to invest in a collection, it does not immediately sum up to a better collection, which makes the product value even harder to predict in fashion. “Sometimes however, uncertainty is impossible to remove from the supply chain due to the type of product involved. For example, if a product is highly fashionable then by its intrinsic nature its demand will be unpredictable” (Christopher and Towill, 2001).

Where a game can be valued on its graphics and technological possibilities, the label ‘better product’ is more difficult to give to a fashion product, since tangible factors as material and craftsmanship only have a very small share in the value proposition of clothing. In the fashion industry the products are more valued by intuition and brand concept. ‘Fashion feeling’ or perception plays a big part in forecasting the success of a collection. An estimate of future sales can therefore not solely be made on assessing the market demand. “Compared to other retailing service industries, it is well argued that sales forecasting is a very difficult task in fashion retailing because fashion product’s demand is highly volatile with ever-changing taste of the consumers and the fashion product’s life cycle is very short. In addition, the sales of fashion products are strongly affected “stochastically” by seasonal factors, fashion trend factors, and many tricky variables (e.g., weather, marketing strategy, political climate, item features, and macroeconomic trend). These, together with the fact that fashion retailers are carrying a large number of stock-keeping-units (SKUs) with limited historical sales data, all make sales forecasting challenging and call for more sophisticated and versatile analytical tools” (Liu et al., 2013). Because of the limited sales period of a fashion collection, the business is also much more subjected to discounts and loss of margins than products of the game industry.
2.7 Comparing supply chains

Looking at starting fashion businesses, in the first years of a brand’s lifecycle it is still finding out the relationship to their consumer, so it is even harder to estimate how the customer perceives their new product because they are not yet familiar with it. It obstructs the interaction with the demands of their target group since the retail price build-up is highly determined by the high costs of producing small quantities and it is initially impossible to reach the desired goal of being “the cheapest on the shop floor” (Owner X, 2015). The small quantities of units combined with stretched payment conditions of minimal 30 days net. after delivery, the fashion industry has a very pre-financing character, which is a hard loop to get out of.

The development time for fashion collections is bound to a seasonal structure and social trend influences happening within a limited timeframe. “The fundamental problem in fashion industries is that the time it takes to source materials, convert them into products and move them into the market place is invariably longer than the time the customer is prepared to wait” (ČiarnienČ and VienažindienČ, 2014). The game industry is much less submissive to obstacles in the supply chain than fashion companies. In the supply chain of a small fashion company there is a very high level of competition: suppliers are less willing to produce a small quantity of units opposed to a large quantity of a bigger brand. The lead-time of a small collection can be slowed down because they are on a very low priority with the suppliers. While the customers desire rapid change of collections that are highly relevant to the on-going trends, the supply chain almost makes it impossible for a small fashion business to achieve that.

2.8 Sub-Conclusion

When examining small fashion businesses, in this report I am looking at the ones that are run by a single person and have yet to start becoming profitable. These companies experience difficulties in growing most often within their first five years after establishment. There are many models and theories for the growth of businesses, some describe it as an exponential curve and others as a more organic movement. The five stages of growth theory can offer a helpful tool for zooming into problematic growth phases of a company and therefore I will use that method to examine a fashion company in the next chapter. Where young businesses in general always have a hard time surviving in their adolescent years, fashion businesses face an even more difficult challenge because of the many uncertain influences going on in the industry. In the next chapter, by doing a case study with a company experiencing growth issues, I will evaluate what the actual growth curve of a small fashion business looks like and I will compare the theory to the practice of a small company.

- Fashion companies run by a single person and still to become profitable.
- Five stages of growth theory to zoom into problematic growth phases.
- Complicating circumstances in the fashion industry: development time does not equal a better product, value of product determined by factors other than material alone, quantity/competition difficulties in supply chain.
'How does a company deal with the struggle to grow?'

To observe the issues that may obstruct the growth progress of a small fashion business, I will evaluate in this section the practical experience of a company going through this. By doing a single case study with Company X, I am investigating how a fashion business deals with the obstructions and what they see as a necessity to overcome the growth issue.

3.1 Company Facts
To get an understanding of the current size of the business evaluated in this case, here are some facts about the company: Company X is launched in 2012. The brand specializes in knitwear. The company is run by the business owner (Owner X) who also is the only employee of the business. The brand brings out two collections per annum: spring/summer (S/S) and autumn/winter (A/W). A collection consists of approximately 15 styles and mainly comprises knitted sweaters and cardigans. The production volume is around 100 pieces per style, depending on how many the buyers of the points of sale order. Company X works together with a sales agency, which presents the collection in a showroom to the clients biannually.

Putting Company X in the perspective of the marketing mix, the value proposition of the brand would look as follows:

<table>
<thead>
<tr>
<th>Marketing Mix</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product</strong></td>
<td><strong>Price</strong></td>
</tr>
<tr>
<td>High Quality Knitwear</td>
<td>Retail prices around €100,-</td>
</tr>
<tr>
<td><strong>Place</strong></td>
<td><strong>Promotion</strong></td>
</tr>
<tr>
<td>19 multi-brand stores Benelux + Germany</td>
<td>Lookbook Social media: Facebook + Instagram</td>
</tr>
</tbody>
</table>

Evaluating the business according to the five stages of growth theory (Scott and Bruce, 1987), the company is currently in the survival- or second phase: the company has yet to become profitable and is currently experiencing the crisis previous to the following phase (the success- or third phase). To find out what actions can be taken in order to evolve beyond this stage, I will first analyse the growth strategy of Company X. I will then evaluate the crises that Company X currently experiences.

3.2 Strategy and Crises
The potential of the company in the first place really depends on the value proposition of the product: the measure in which the product is unique enough for the targeted audience. “Your brand is initially picked up by stores because they feel it contributes something to their collection. After that, growing the company
depends more on operational strategy," Owner X explains. The strategy of Company X has been to focus on distribution and multi-brand stores. The business model does not include own stores or manufacturing. Selling in stores that are not owned by the company itself means that it has to compromise in the profit margin they gain from sales, so the build-up towards becoming profitable is longer than in case the company would be selling from primary selling locations. In other words: the growth curve is slowed down in the first years of the company because of low margins and an only moderately growing number of sales locations. Getting that growth curve to accelerate means that some operational changes need to be realised.

It is very important to always be on the lookout for new sales locations to be able to grow the company in terms of turnover and that initially was represented as physical labour: driving out to sales locations and meeting with their buyers. Progressing from the initial growth stage into the second meant increasing the number of stores the collection was sold at, which only was possible by hiring an agent to outsource the work paired with that increase. The sales agency presents the brand in a showroom to multiple buyers at the same time and thus increases the efficiency of buyers meetings. By working with the agency, it was the first time work was outsourced for Company X and outsourcing work proved to be a more important action in the further growth process.

Overcoming the initial growth issues has been possible by having access to the right people with knowledge of the market. “Initially the start is that we had been able to hire the consultancy of someone who explained the market here, because we had no knowledge of the Dutch market in the beginning. Key knowledge of the market and an understanding of where you want to hang and next to what brands that will be is the footprint for bringing out the brand,” Owner X explains. The entrepreneur has to constantly educate themselves about the developments in the market, so they stay original for the niche they are addressing. Growth can only be achieved if the management of the company can free enough time for these market investigations and educations to always know where and how to position the brand.

Expanding the collection frequency, going from just autumn/winter to also a spring/summer collection, seemed a logical next step in the growth process of Company X but proved to be harder than initially thought. The brand concept is focused on high quality knitwear and can be very well represented in an autumn/winter collection. When the first A/W collections were selling well, Company X tried bringing out a S/S collection for the summer season of 2016. The collection included woven items next to the knitted styles, which brought along many problems. The expansion to a new fabric type meant that Owner X had to start collaborating with new manufacturers. Time- and logistic management became of the essence, because the new styles required more sampling and more intensive communication with the manufacturer. Because the company owner rather had to invest time in the management of the collection than in the collection itself, the brand identity got lost in the process. The collection did not reflect the core of the brand and failed to sell well with the buyers. The cause of this issue has mainly been the deficit of two things: manpower and applied knowledge.
Currently, the biggest goal within the company’s growth strategy is dealing with the expansion of manpower to be able to tackle the issues mentioned in the above-mentioned paragraphs. Building a team can prevent issues from occurring in the supply chain because time management can be more efficient; the planning of the collection can be drawn forward on the timeline so the company is ahead of competition in manufacturing. There is a paradox in that goal, because the company needs a big budget for paying capable people, but the budget available does not yet allow hiring those kind of experienced employees. At the same time, generating budget is narrowly connected with having the right expertise in the company to be able to improve the collection and for the entrepreneur to be able to focus on the core strategy of the brand instead of on distracting operational tasks. Experienced talent in fashion management is scarce because those people are often internally exchanged between the front-running companies of the industry. Owner X adds: “If I needed to make a big hire, like an important and experienced production person that has been with important brands, I’m not sure yet where you tap into that kind of talent.” Knowing from the experience of another small company in the fashion business, Company Y⁴, hiring cheap people on important functions in the company can be a regretful decision. “Looking back, we lost a lot of money by doing the cheaper hires,” she adds.

3.3 Growing Past the Issues

Zooming in to the crisis phase of a growth process, where Company X is currently in, critical investments need to be made in order to progress. Ideally, the development time of the collections has to be stretched out over a longer period of time, but the only way of elongating the development time for a fashion company is by drawing the design process forward in time, starting to design the collection earlier. Most established big international fashion companies work 1.5 - 2 years ahead, since they are already very familiar with their customers' buying behaviour and their style identity. Unfortunately most starting fashion companies do not enjoy that luxury since they are still in an explorative phase, getting to know their clients and shaping a style that is solid to the core identity. So, both the theory of ‘noisy’ selection (Janovic, 1982), learning by doing, and the theory of Effectual Entrepreneurship (Read, 2011) certainly find ground in the development of small fashion businesses.

The investments would have to go into hiring workforce at this stage for Company X, but freeing budget for a strategic investment is very difficult. All financial liquidity in the company immediately goes back into designing, sampling, shipping and promotional material of the collection even before the first customer has seen the product. In other words: before the company has even received turnover from sales, there are already new investments in a following collection. The balance sheet reaches a critical point of either paying off or dying off (figure 5).

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⁴ For privacy reasons the name of this company has been referred to as ‘Company Y’.
Looking at the costs of working with flexible manpower, averagely in The Netherlands a freelancer charges €68,19 an hour (ZZP Barometer, 2015). This means that an eight hour job would already cost the company owner €545,52 and that is only one day of work, an expenditure a fashion company cannot afford in this phase of their lifecycle. If from experience it has proven non-profitable to hire a cheaper alternative for fulfilling a key job within the management, Company X would have to find a suitable solution for the manpower shortage at this stage and that could be either:

- **Delegation**: hiring cheaper people to fulfil assisting jobs by using a new, non-traditional hiring- or network platform and/or;
- **Education**: Getting educated so the company owner has a better ability to take on the fashion management tasks next to the operational ones.

### 3.4 Sub-conclusion

Growing a company from a young- to an adult phase often means that there is an increase in labour outside the expertise of the entrepreneur. The experience of Company X has taught that with every step taken in the growth strategy, the brand identity should always be kept in mind and the company owner is the one to take the lead in that. By having access to the right knowledge and by doing constant market research the entrepreneur can keep a managing role in the business instead of a performing one. To determine what the required investments are to benefit the company’s management I reviewed several crises in Company X experienced:

- **Increasing the number of sales locations**: investing in the collaboration with a brand management - requires knowledge of the market and competition.
- **Hiring consultancy**: experts on market developments, materials, production techniques - requires vision over brand positioning.
- **Expanding the collection frequency**: introducing a summer collection - requires knowledge of new techniques and longer development times.
- **Expanding manpower within the operational management**: to increase the quality and success rates of individual departments of the company - requires budget and finding the right people.

Analysing the experiences of Company X, expanding the team with people of the right expertise becomes critical for all growth crises but is complicated by the fact that the budget is still very limited. The company gets stuck in a vicious circle (figure 6), where a lack of budget obstructs the ability of investing in the team or the collection, but at the same time a growing team or collection could help growing the budget.
While an immediate step towards hiring expensive manpower is too big, finding a fitting answer to the growth problem could be in two things: delegation and education. Creating a network around the brand to deeply understand the brand values and strategy is at the base of a successful expansion of a small business. In the next chapter I will therefore examine where and how the owners of small fashion businesses can find the right people in finding a combination between a more cost-efficient way of delegation and education.
‘What are existing offers in the market that can help small fashion companies overcome the growth issues?’

In finding the answer to this question, I will first have to specify the type of knowledge and skills that these companies are looking for in order to positively contribute to the growth curve. As reviewed in chapter two, the fashion industry is subjected to many specific influences that are not found in any other industries. One of the main characteristics of the business is that prognoses are made on a certain ‘fashion feeling’ or a perception that goes along with the identity of a collection. This is also one of the industry characteristics that makes it so complicated for fashion employment to describe the exact qualities that a person has to possess in order to be successful. In order to clarify what exact specifications in manpower a small fashion business is looking for to help grow the business, I will firstly look at the different ways of identifying knowledge or skills in general.

4.1 Identifying Required Qualities

There are several approaches to identifying the work qualities of a person. Most commonly used within human resource management (HRM) for describing a job specification and measuring the candidate’s suitability for a job, are KSA- (knowledge, skill and ability) or KSC (knowledge, skill and competence) indicators.

Theoretically, the KSC’s are described as follows: “Knowledge is sometimes viewed as if it was a concrete manifestation of abstract intelligence, but it is actually the result of an interaction between intelligence (capacity to learn) and situation (opportunity to learn), so is more socially-constructed than intelligence. Knowledge includes underpinning theory and concepts, as well as tacit knowledge gained as a result of the experience of performing certain tasks. Understanding refers to more holistic knowledge of processes and contexts, and may be distinguished as know-why, as opposed know-that... Usually the term skill is used to refer to a level of performance, in the sense of accuracy and speed in performing particular tasks (‘skilled performance’)... if intellectual capabilities are required to develop knowledge and operationalising knowledge is part of developing skills, all are prerequisites to developing competence, along with other social and attitudinal factors. Weinert (2001:29), for example, lists a range of dimensions held to influence an individual’s degree of competency: ability, knowledge, understanding, skill, action, experience and motivation” (Winterton, Delamare-Le Deist and Stringfellow, 2006: p. 9-17). Simply put, competence can be described as personal attributes or talent.
Towards obtaining KSC’s there are also two ways of differentiating the way of obtaining the knowledge, skills or competence:

- ‘single-loop’ learning concerned with obtaining knowledge in order to solve specific problems based on existing premises;
- ‘double-loop’ learning concerned with establishing new premises such as mental models and perspectives (Argyris and Schon, 1974; 1978; Bateson, 1973; Kieras and Bovair, 1984)” (Winterton, Delamare-Le Deist and Stringfellow, 2006: p. 6).

Testing these types of obtaining knowledge to a fashion business, it can be said that a fashion job contains elements of both single- and double loop learning. Taking the example of a product manager in this case, a part of the KSC’s are for existing problems (single loop learning), e.g. solving problems with sampling and fabric supply. The fast dynamic of the industry also sets the product manager’s requirements for double loop learning KSC’s, in case the company goes into a new type of products, e.g. expanding the apparel collection with shoes.

In human resource management KSC’s are often used in combination with a list of tasks, duties and responsibilities (TDR’s) to describe a full job profile.

In studies on creative skills there has been made a difference between A-list and B-List property: “the vertically differentiated skills of creative workers” (Caves, 2003). This terminology is drawn from Hollywood, where a difference between A-listers and B-Listers meant the measure in which an actor could be substituted for someone else (Towse, 2012: p. 392). For A-listers, their skills were so specific that only they were the ones who could execute the job, whereas B-listers were the ones fulfilling non-leading parts and were easier to replace. The term is drawn to the creative industry in general to indicate the importance and measure of replaceability for a job position. Approaching this theory from the perspective of what skills are required for a fashion job, for example taking a buyer, a senior buyer would be considered to have A-list property skills, because the experience and knowledge is difficult to replace and an assistant buyer would be considered of B-list skills with tasks to complete that can be done without year long experience and knowledge.

A third way of theoretically approaching the working capabilities of a person is through the Five Factor Model (FFM) (Wiggins, 1996) or also referred to as the big five personality dimensions: extraversion, neuroticism, agreeableness, conscientiousness and openness to experience. These five dimensions can tell a lot about how someone’s personality can be fit for a job and are connected to the competencies of a person.

In studies on creative skills there has been made a difference between A-List and B-List property: “the vertically differentiated skills of creative workers” (Caves, 2003). This terminology is drawn from Hollywood, where
A mix of the KSC indicators, A- or B-List properties and FFM personality traits can be used to give a complete picture on the ability of someone’s employment. Now I will evaluate the specific indicators needed for working in a growing small fashion business.

4.2 Small Fashion Business Work Requirements

The experience of Company X has taught me in the case study that if a company wants to grow beyond an infant phase, there is a high necessity for building a professional network. The resources are very scarce in a growing fashion business, so immediately going from no personnel to hiring the best and most expensive people is not possible. An in-between step has to be taken of either delegating work or getting education on the work.

4.2.1 Delegation

By delegating work I mean the separation of tasks within a job, while the company owner still keeps the supervision over the job itself. I will point out the difference in exerting jobs by comparing Company X to a company in a different creative sector, Paradise Amsterdam. Paradise Amsterdam is a company dedicated to selling printed phone cases. The company has only recently launched (summer 2015) but managed to realize an exponential growth by leading an aggressive social media campaign and being in direct contact with its customers. With the number of likes, also the orders were increasingly flowing in. A company like Paradise Amsterdam does not experience the difficulties of having to forecast and prepare high stock quantities to sell in a later season, but the directness of their business brings along other, mainly logistic, problems. The growing number of orders means more packages to pack and send, which is exceeding the number of hands available. For the owner of this company it is of equal importance as for Company X to be able to guard the brand identity and to keep everything running smoothly. Delegating work for Paradise Amsterdam in this instance means simply hiring people to do labour as packing and sending the orders, skills that can be ranked as a B-List property.

Just as for Paradise Amsterdam, an assisting position at Company X would mean that the person hired would offer relief in the work pressure and takes on tasks the company owner has no longer time for. These jobs seem relatively simple but they have a deeper level of complication, because they often do require a measure of foreknowledge to recognize how to execute the job. From personal work experience I can review that assisting the company owner in a small fashion business means that you would have to take on tasks such as composing production instructions, measuring samples, creating packing lists, etc. These tasks require a mix of KSC’s and education within the fashion field. It shows that already within in the lower layers of employment, in fashion companies there is a higher level of requirements to be met than in some other industries. The jobs become ranked as an A-list property. The importance in hiring this workforce in an early growing stage of a fashion company is to hire the same quality manpower, but for a lower price than average to have less impact on the budget.

4.2.2 Education

For achieving growth, the entrepreneur itself could also get educated to strengthen its own abilities to take on the fashion management tasks next to the operational ones. It often occurs
that while a company grows in size, it also grows with tasks outside the expertise of the company owner. To clarify the fields of education a company owner could go in to, I will give three examples.

As reviewed before, the fashion industry is ever changing and it is one of the most important industries to up-to-date with market developments to ensure the existing customer base and to spot gaps for a new one. When expanding a fashion brand on sales, for a company like Company X it meant is started selling in new international markets. The consumer behaviour of a market in a new country is influenced by other social and cultural demographics. To adapt the collection to the new market, a consultation with a local retail expert or an explorative sales trip can enrich the knowledge on the strategy of ant further business decisions.

Growing a company also could signify an expansion of the collection in depth, width or frequency. Expanding a collection width is paired with new techniques materials and construction and often has to happen in new manufacturing places than before. In this instance, it is not only important for the company owner to be educated on the influence of the materials and constructions on the design choices, but also that the entrepreneur gains access to a broader network of manufacturers that are fit for the job.

Thirdly, but certainly not unimportantly, finance is an important aspect for fashion entrepreneurs to be educated on as growth of a company goes paired with a growth of the amounts on the balance sheet, which could have consequences for the legal form of the business (e.g. when a company legally has to change from a sole proprietorship to a Ltd.). Where most (fashion)entrepreneurs are creative minds, they often lack in knowledge in the financial field, whereas there are often big advantages to gain.

4.3 Connecting Networks
‘Where to find and build the network?’

Having reviewed what qualities are needed for people to be working as reinforcements within small fashion brands, the next question to answer is where and how companies can get in touch with these capable people?

There are several companies in the market that are directed solely to fashion employment. HTNK is a Dutch fashion recruitment and consultancy agency that offers such connections between professionals and companies (figure 8). The company functions as an intermediary to bring together the people and the companies that they see fit for each other. Next to connecting companies to candidates, they also offer a range of workshops for fashion professionals to improve their professional presentation profile and skillset. In collaboration with other fashion associations HTNK also organizes fashion events.

Evaluating the website, the communication is quite closed and textual. The job information is kept private, so offers are not transparent to outsiders (Figure 9). The candidates applying for these jobs do not know more about the company until their application has been selected for interviewing. A subscription is needed to get access to further information.

Another platform, more broadly used by fashion professionals looking for jobs and companies looking for professionals, is Fashion United. Most companies use the website to
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Figure 8: Homepage HTNK Website (htnk.nl, 2015)

Figure 10: Fashion United Website (fashionunited.nl, 2015)
expose their job vacancies. It works less as an employment agency than HTNK; it functions more as a vacancy platform where companies post their job openings and applicants can openly select from them. The website is globally used as a platform for fashion news, trend reports and industry developments (Figure 10).

The design of the vacancy page is highly textual and divisions are made in profession groups. All jobs are described with KSC’ indicators (Figure 11) The company names are also immediately visible. By creating a profile users can keep track of their job vacancies and companies get send that profile from respondents. A downside to the transparency of the vacancies is that everyone can reply to them. The application system seems impersonal and pollution of the applicant stack by a broad range of applicants without the right qualifications cannot be avoided. Company X has had the experience of having to hold a very broad selection, which turned out to be very time inefficient.

Another network platform in a different format is Pakhuis de Zwijger and their Meetups, designed to bring together creative minds from different industries to share knowledge on market innovations. They offer is more locally focused network- and community possibilities.

These three network platforms together offer a broad range of possibilities to connect the business owners to professionals. What is missing in both platforms is a continuous form of education for all business parties involved, something we can draw lessons from of a different work field: accountancy. T&G\(^4\) is a consultancy agency that recently started a division for flexible

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\(^3\) For privacy reasons the name of this company has been censored.
employment in top level accountancy. They spotted a market development, as also happening in the fashion business, that the top people in the sector were all steadily working at big firms while working flexibly could pay off with a much higher salary and a more dynamic set of tasks (TDR). By connecting the top-people to the top jobs they can assure high quality work at all times. Part of the accountancy employment system is that KSC courses are obliged to maintain high quality (part of the salary is laid away for education). All candidates within the T&G employment agency have been screened and tested at an intake extensively and are paid through a ranked system that is fit to the job and the abilities of the accountant. Each function has a minimum- and a maximum earn limit, depending on the job the hour rates are determined (figure 12).

<table>
<thead>
<tr>
<th>Function</th>
<th>Bottom Limit</th>
<th>Av.*</th>
<th>Top Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistant</td>
<td>10</td>
<td>13</td>
<td>16</td>
</tr>
<tr>
<td>Junior Manager</td>
<td>13</td>
<td>19</td>
<td>25</td>
</tr>
<tr>
<td>Medior Manager</td>
<td>22</td>
<td>31</td>
<td>40</td>
</tr>
<tr>
<td>Senior Manager</td>
<td>37</td>
<td>59</td>
<td>66</td>
</tr>
</tbody>
</table>

Figure 12: Salary matrix per function level (*please note the numbers are fictional for privacy reasons)

With the existing fashion network platforms, the offer in training and education courses is very broad, but an obstacle can be that people don’t take the step to get further training once they are working in the business. By obliging the freelancers to commit to education courses they constantly update their knowledge and skill profile, can promise to offer high quality work. The wage levels are higher with the given example, so education fees can more easily be held back than in lower wage levels. It encourages the search for different ways of getting education to the fashion professionals.

There are several platforms available for education in fashion. Business of Fashion offers a series of online lessons and articles directed to fashion entrepreneurship and management. The Dutch Chamber of Commerce (KVK) organizes seminars and meetings for fellow entrepreneurs to learn about administration and business. Small creative companies can also find support with CultuurInvest, an investment agency in Flanders that invests in small creative companies.

4.4 Sub-Conclusion

The relevance of bringing creative talent and creative businesses together is great, “...because not enough citizens and decision-makers know that culture and creative industries employ 7 million people, that they generate 4.2% of EU GDP, and that they are such powerful sources of jobs and growth that they provide jobs for nearly 2.5 times more Europeans than the automotive industry.... The cultural and creative sectors also contribute significantly to youth employment, employing, on average, more young people than any other sector” (Prats Monné, 2014: p.6). There will be an employment shortage in the Dutch fashion industry of approximately 74.000 jobs in 2016 (INretail, Arbeidsmarktprognoses, 2015) and that gap can be closed if more companies and more industry professionals know where to connect. Growing the chances of employment in the fashion industry can positively contribute to the number of jobs available in the creative industry.

The fashion industry is rapidly changing and asks for new collaborations to innovate on the collections. “Independent brands have to start collaborating in order to be a counterweight for the big chains. They too need to work on
a distinguishing formula and faster changing collections” (Rabobank Cijfers en Trends, 2015). Bringing the brands together through a network platform could carve the path to growth and success for many small fashion businesses.

Identifying qualities by a mix of KSC’s and FFM personality traits, you can create a well-rounded profile to make someone a correct fit for a fashion companies’ needs. Professionals require specific pre-knowledge and skills before they can be employed within a fashion company. This connection is offered by some existing fashion platforms, but still missing is the connection between work and education.

The most important findings in this chapter:
- Knowledge and skills required for fashion jobs are a mixture of single- and double loop learning. The skills and knowledge required for a fashion job contain aspects of having to perform direct tasks and obtaining new knowledge on performing new ones.
- A fashion job would be indicated as a job with A-list properties: fashion manpower requires specific skills and knowledge, which makes the people for the jobs hard to replace.
- Existing network platforms offer a possibility to connect the right professionals to small fashion businesses, but lack the connection to education to maintain a high level. A combination of delegation and education could offer a new and more direct solution.
Figure 13: The Oil Spill Growth Model,
A new outlook on the growth of small fashion businesses
What are the issues that small fashion companies face that obstruct their growth?

Each year bunches of hopeful entrepreneurs launch their company in the hopes of ravishing success rates. The fashion industry is a rapidly changing industry, which can be seen in the low number of business survivors in the branch. Growing a fashion business past the first critical five years could signify a long-term survival. Growth represents the social and financial company goals: becoming a healthy organisation and being able to contribute to the market and (social)environment. As Monki director Harald Dunnink states, growth should also contribute to the happiness of the clients and the entrepreneurs themselves.

Theoretically, the growth curve of a business is most often described as a line, where the pointers turnover and size are put in perspective. Critically reviewing the research, I can conclude that the growth for a fashion business cannot solely be confined to these pointers, because each collection brings a very high level of uncertainty and a fashion brand is subjected to many unpredictable external influences. A new outlook on a fashion business’ growth curve can be to look at the fashion curve as an oil spill, where every drop offers an opportunity to expand, but the direction of expansion is highly unpredictable. Each growth step taken in the oil spill model has both the potential to positively and negatively contribute to a fashion businesses’ growth curve: a well-selling collection does promise success with the following collection. The management requires direct attention at all times, which would be more realistically represented in this oil spill growth model (Figure 13).

The five stages of growth theory (Churchill and Lewis, 1983) can be a very helpful tool to determine the phase of attention for a fashion business, but after zooming in, one should look at each specific growth obstacle individually to determine a suitable solution. Some issues can be solved with a simple financial investment, but others require more specific attention and possibly an investment of labour. As reality for Company X has proven, the internal management issues are the strategic decisions directly influencing the performance of the company. Focussing on streamlining that operational management can be a step towards reaching higher success rates.

Realisation of growth goals has proven to be difficult, as a small company has little to no access to liquidity. The lack of budget forms a vicious circle that burdens the growth of investments, collection and manpower. The business owner should be able to act as the
CEO and CFO, instead of an employee of their own company. However, for doing that, they need to outsource some labour and distribute manpower. Small fashion businesses have to be selective about who to hire on that low budget, because cheap reinforcement could also mean a negative- or sometimes even fatal contribution to the growth curve. The solution for the fashion entrepreneur is to either delegate simple tasks and keep supervision over the company or get educated on the managing tasks and improve applied knowledge and skills. Even more so, a combination of taking in knowledge and skills could be a key to becoming a solid business. Most importantly, the fashion business should find these sources in a cheaper way than traditionally done. The companies have to look for a new way of hiring people to realise lower labour costs. Access to the right combination of knowledge and skills can be achieved if small fashion businesses are offered fast and easy access to experienced and educated people in the fashion industry, which is not offered transparently enough in the current market.

To get out of the budgetary vicious circle, an investment in sourcing the right people around the business should be made. This would always signify a financial investment of either the business owner or an external party such as for instance crowdsourcing or kickstarter funds. However, an investment in the right network can significantly save money and yield better growth rates opposed to unknowingly investing in the wrong collections or strategic plans. Eventually, the goal is to be expanding the management to a point where each person is focused on a specific department to channel the knowledge and skills directly to where they are needed.

In short, the answer to the main research question ‘what issues small fashion companies face in obstruction to their growth?’ can be: Dealing with the highly uncertain fashion industry, the issues can be found in internal management and strategic decisions. Small fashion businesses struggling to grow past a certain size should be zooming in to specific management problems instead of reviewing the overall business performance to find out what combination of knowledge and skills is required to solve those issues. Building the right network on lower costs than usual, to both outsource work and obtain more knowledge on the industry and the company strategy, is key to overcoming these operational hurdles.
5.1 Product

“How can the growth obstacles be overcome?’

‘A platform designed for uniting young professionals, entrepreneurs and experts of the fashion industry to create a powerful source of knowledge and skills’

THE INSIDERS

The Insiders is an innovative network platform where young professionals, experts and entrepreneurs in the fashion industry can come together to share their knowledge and experience. The platform uses the power of collectivity to reach a high level of industry knowledge and to strengthen the position of small fashion companies. The Insiders is not directly aimed towards filling vacancies but for building a powerful network.

The idea for the concept originates from the outcome of this report, where I found that small fashion companies can increase their growth rates by focussing on internal management by finding suitable knowledge or skills to benefit the strategy. In reality, these companies experience difficulties finding the right people, because they are held back financially or do not know where to tap into the right people. The Insiders offers a significantly lower hourly rate than average, by categorizing the people into knowledge- and skill groups. This way, the businesses and professionals can more effectively be connected to each other.

The unique selling point will be in the combination of employment and consultancy: it offers a well-rounded network community. The Insiders strives for creating a community that unites professionals and companies throughout all domains of the fashion industry.
Books & PDF Publications


Tourse, R. (2010). A textbook of cultural economics. Cambridge, UK: Cambridge University Press. [Book] Available at: https://books.google.nl/books?id=A5EZBgAAQBAJ&pg=RA8-PA11-IA3&lpg=RA8-PA11-IA3&dq=a+list+b+list+property+skills&source=bl&ots=9LLKcQ9N-M&sig=sn8AAdixxY3osVkJZMjCp4-KXU&

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