



BUSINESS PLAN

---LOCAL SEAMSTRESS SERVICE---

Version 2 (August 7, 2016)



MEGAN ILLGNER

Santa Barbara Seamstress
SBseamstress.com

SANTA BARBARA, CALIFORNIA

(XXX) XXX-XXXX

Megan@SBseamstress.com

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EXECUTIVE SUMMARY



Santa Barbara Seamstress is a business that offers general seamstress work to Santa Barbara locals. The mission is to serve local sewing needs primarily for, but not limited to, clothing. This business is unique in that textile design services are offered in addition to traditional seamstress work. Clients can co-design creations with their seamstress.

The business studio is located at SBCAST (Santa Barbara Center for Art, Science, & Technology) at 513 Garden St. It is owned by Megan Illgner who has been sewing since childhood and has experience as a manager and graphic designer.

Customers are people who live within a 25 mile radius of the studio who need sewing services. They will buy from Santa Barbara Seamstress because they require that a practical need be serviced and they appreciate the artistic style that is revealed on the website.

The competition is other seamstresses and tailors within the city who offer similar services. They have been around longer and established themselves with a loyal client base, but they follow the old model of simply being a sewing service, and do not offer design services.



Financially, it will be successful because it is a straightforward service model. Overhead costs are low and full-time work results in guaranteed profit. Typical overhead costs are currently at about just \$X per month.

STATEMENT OF PURPOSE

This business plan is to serve as an operating guide for Santa Barbara Seamstress during its first year of business.

BUSINESS DESCRIPTION



Santa Barbara's Seamstress's mission is to serve local sewing needs primarily for, but not limited to, clothing. Based in a downtown sewing studio called SBCAST (Santa Barbara Center for Art, Science, & Technology) at 513 Garden St. clients drop off and pick up items after scheduling appointments. The fair prices, quick service, and unexpected sparkle and flare keeps clients coming back for more. They appreciate the personality and artistic community that comes with this service, which is more elaborate than the atmosphere that the local dry cleaner provides.

BACKGROUND

This business blossomed from a love of sewing, which was tailored to suit the needs of locals. Overall, professional sewing is a dying art and in much lower demand than 100 years ago. Today, it is rare to hire a seamstress to custom design personal clothing. Instead, most people rely on affordable clothing retail suppliers. However, because a good seamstress has become increasingly hard to find, a young, local seamstress involved in a progressive art community can easily corner the market. There are still plenty of people from all walks of life who need something done with a sewing machine.

SERVICE DESCRIPTION

Santa Barbara Seamstress (SBS) is distinguished from primary competitors by being both a seamstress and a designer. Many competitors simply take in items and follow directions. But SBS works with clients to design fresh ideas and can also guide clients who lack artistic ideas. Another distinguishing factor is the culture that comes with the service. Upon viewing the website, people don't simply peruse sewing services. Instead, they are taken on a tour of Santa Barbara through the eyes of an artist. They click on links to local businesses. They discover the beauty of Santa Barbara because its landmarks are the backgrounds for clothing models. They dive straight in

to the world of music and art festivals. Even if they are not interested in this culture themselves, they enjoy the entertaining imagery provided on the website and see how fabrics help shape the experience. When they ask for their pants to be mended they take home a slice of the paradise festival culture with it.

TARGET MARKET & COMPETITION

The competition is primarily other local seamstresses and tailors. There are also department stores such as X in Paseo Nuevo shopping mall that offer such services. However, the competition is offering to mend clothing the old fashioned way. They don't even know that there was a new way to do this but they are about to find out! Clients often perceive the need for clothing repair as an annoying errand that gets done between grocery shopping and refueling at a gas station. Santa Barbara Seamstress stands out because while the prices are very competitive, the experience is unexpectedly enriching. Upon discovering the business online, potential clients are dazzled by the art and culture infused with the practical images of mending. They have fun looking at pictures of costumes and enjoy taking a virtual tour of SB while clicking through the site. There is even a "beyond" section on the website which links fun websites and random entertaining videos (this helps to reveal the personality of the business while also giving viewers another reason to stay on the website, or to keep coming back just for entertainment's sake).

Clients also enjoy the experience of visiting the studio space at SBCAST. They need to drop off and pick up clothing for mending. Instead of stopping inside a dry cleaners or visiting a tiny isolated studio, they park in the courtyard at SBCAST's downtown location and walk through an art community to get to the back warehouse studio space. They take a moment to look at the art gallery. They notice the other studio spaces and wonder what else

is going on here. Light installations?! Video editing?! Art cars?! They interact with other cool, local artists. They get invited by a community member to enjoy a cup of coffee on the roof with picnic tables and enjoy the fabulous view of SB. They learn about the First Thursday Art Walk event. A simple errand to drop off pants for mending is actually an invitation to enter a portal to a vibrant, local art community.

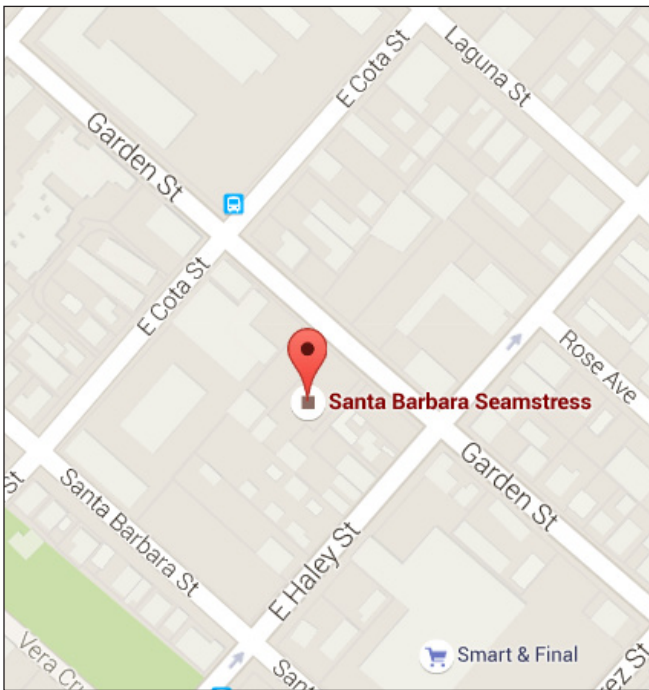
Santa Barbara Seamstress is creating a unique niche through lifestyle branding. The theme of living in paradise is woven into sewing projects. Unique and unexpected details are added to mended garments.

The ideal customer lives in Santa Barbara or surrounding areas (Carpinteria, Montecito, Goleta). They have about \$X-\$X to spend on custom designs for their clothing, costumes, or homes. They are conscious customers who take pride in supporting a local artist and appreciate quality work. Although they may have many disposable, replaceable clothing items, they want to extend the life of their most cherished garments.

Packaging is also a form of art that improves the customer's experience. They will fill out a form that details what kind of service is needed, how many items are being dropped off, estimated wait time, and estimated price for service. When they pick up their item it is packaged in eco-friendly tissue paper or brown paper, accompanied by a sticker or flyer that represents the business. It is chic and trendy.

BUSINESS GOALS & STRATEGY

SBS is open for business! The majority of mending work happens between October and April. From May through September, SBS is often traveling and peddling clothing at music festivals. During the active mending months, standard hours of operation are from 10am—4pm, Wednesday through



Sunday, but other appointments can be made. Production occurs at a top-notch studio with various sewing machines that can handle different needs. Sewing machines include a basic domestic machine, an industrial machine, and an industrial serger. SBS is reluctant to hire other seamstresses because the work is very detailed and held to a high standard. However, employees may be contracted to handle social media, website maintenance, finances, and other non-sewing related tasks.



SBCAST - 513 GARDEN STREET

Initially, the business will grow at the rented studio space in the live-work arts community known as SBCAST. When the time comes, it will move into its own space and function as a brick and mortar business. Although it will lose the advantage of being within SBCAST and its culture, the new space will be designed to be interesting as well. Quality work, word of mouth, and stellar reputation will keep people coming back and increase demand.



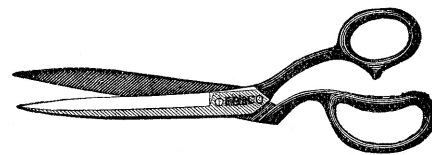
SEWING STUDIO AT SBCAST

This service is not really interested in much paid advertising. It's the kind of service that people look for when they need it. This means that it is very im-

portant to have strong SEO for all websites and social media and is the reason that the service is named “Santa Barbara Seamstress.” That name addresses the who, what, and where. When people need a seamstress they will enter a logical search online and it shows up on Facebook, Instagram, Yelp, and Google searches. The business would have to be very successful to justify a paid advertising budget and there are some very successful companies that don’t really advertise (Trader Joe’s, American Girl).

Other than simply being easy to find in an internet search, there is some other subtle marketing around the Santa Barbara community. A variety of flyers advertise the various services available by SBS. While maintaining a similar brand identity full of bold, neon colors, the various flyers advertise a general seamstress service and costume design. Tabloid size flyers are printed and hung around town (no more than \$X per month) and small versions of the flyers are printed to hand out and distribute. A stack of flyers might be placed at a relevant business, such as X costume shop or X (no more than \$X per month). Stickers also make great promotional items. People love getting stickers and they don’t throw them away (unlike business cards) because they stick to things. They might get stuck on a water bottle or day planner, which will remind them of the service. Stickers will be included with each service provided by the company or handed out at random events just for fun (100 stickers is about \$X and will be reordered as needed).

OWNER EXPERIENCE



Santa Barbara Seamstress is a sole proprietorship owned and operated by Megan Illgner, who is in charge of all primary tasks of the company. She has been sewing since the age of 4 and is overwhelmed at how much more there is to learn. She holds a Bachelor of Fine Arts Degree in Graphic Design and uses those skills to design the branding, including the logos, stickers,

clothing tags, and backgrounds that are photoshopped behind the models. She has experience as a manager at two small businesses that developed her skills of organization, planning, multitasking, face-to-face customer service, and preventing disasters.

Santa Barbara Seamstress will be successful even in a world dominated by plentiful affordable retail clothing because people will always need repairs, adjustments, and alterations to their favorite garments. Clients will remain loyal as they develop a personal connection with the personality and culture that is interlaced with all aspects of mending.



MARKETING PLAN



HISTORY / ORIGINS OF SEWING

Although sewing has been around since about the Paleolithic age, sewing machines weren't invented until the 19th century. When sewing machines were invented, sewing moved out of the house and into mills. Textile sweatshops claimed entire districts in big cities. Traditionally, sewing has been a woman's occupation. It was one of the few occupations considered acceptable for women and, unfortunately, it did not pay a living wage. Tailors became associated with higher-end clothing during this period and was established as part of boutique culture because tailors had a reputation for high-quality handmade fashion.

As sewing machines became more affordable, demand for patterns grew. Women were copying fashions and making clothes for themselves at home. Then, during wartime, women joined the workforce and had less time to sew. They needed ready-made, affordable clothing that they could buy at a local retailer. Today, the low price of ready-made clothing in shops means that home sewing is confined largely to hobbyists in Western countries. Most clothing today is mass produced.

PROFESSIONAL SEWING TITLES

- SEWING PROFESSIONAL is the most general term for those who make their living by sewing, teaching, writing about sewing, or retailing sewing supplies. She or he may work out of their home, studio, or retail shop, and may work part-time or full-time. She or he may be any or all of the following sub-specialities:
- A CUSTOM CLOTHIER makes custom garments one at a time, to order, to meet an individual customer's needs and preferences.
- A CUSTOM DRESSMAKER specializes in women's custom apparel, including day dresses, careerwear, suits, evening or bridal wear, sportswear, or

lingerie.

- A TAILOR makes custom menswear-style jackets and the skirts or trousers that go with them, for men or women.
- An ALTERATIONS SPECIALIST or ALTERATIONIST adjusts the fit of completed garments, usually ready-to-wear, or restyles them. Note that while all tailors can do alterations, by no means can all alterationists do tailoring.
- DESIGNERS choose combinations of line, proportion, color, and texture for intended garments. They may have no sewing or patternmaking skills, and may only sketch or conceptualize garments.
- PATTERNMAKERS flat draft the shapes and sizes of the numerous pieces of a garment by hand using paper and measuring tools or by computer using AutoCAD based software, or by draping muslin on a dressform.
- A WARDROBE CONSULTANT or FASHION ADVISOR recommends styles and colors for a client.
- A SEAMSTRESS is someone who sews seams, or in other words, a machine operator in a factory who may not have the skills to make garments from scratch or to fit them on a real body. This term is not a synonym for dressmaker. Prior to the Industrial Revolution, a seamstress did handsewing, especially under the putting-out system (subcontracted work). Older variants are seamster and sempstress.
- SEWIST is a relatively new term, combining the words “sew” and “artist”, to describe someone who creates sewn works of art, which can include clothing or other items made with sewn elements.



Santa Barbara Seamstress owner, Megan Illgner, is mainly interested in working as a custom clothier, a designer, an alterations specialist, and a seamstress. She chooses to use the term “seamstress” because it is the most easily recognizable term and subject to a flexible definition. She will begin as a local seamstress who can mend/alter existing garments or

design and create custom projects for local clients. Her ultimate goal is still being visualized. Originally, she wanted to develop a clothing line for music and arts festivals but is still exploring the possibilities. She is primarily interested in designing clothing prototypes, working on costumes for plays and movies, and researching the qualifications of a technical seamstress.

INDUSTRY SIZE AND GROWTH RATE

Traditionally, sewing is a very low paying career, teetering just above the national poverty line. But when combined with design skills, it can become highly specialized and move into high paying segments. There is very little opportunity to make a steady \$Xk/year income in this profession. It is either low paid, unskilled work or high-end fashion design work. Santa Barbara Seamstress is aiming for the latter (and surprised at how many exciting options there are to specialize in).

There are 2 main market segments within the mending industry. People with very little money want a seamstress to extend the life of their clothing so that they don't have to go out and buy new expensive clothes. There are also people with lots of money who prefer the luxury of designing custom clothing and don't mind spending money to do so.

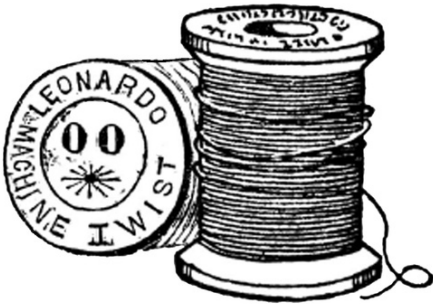
Tailors and seamstresses have low profit margins. Pricing needs to be consistent. According to Bespoke tailoring, production cost should be 33% of retail price. For this equation, they were factoring in price of material, fitting, cutting, and labor. For SB Seamstress, many clients provide the material and therefore, SB Seamstress bills for consultation, labor, and fittings in addition to sewing notions such as thread and needles.

TARGET MARKET

The current target market is anyone who is local and needs something to be sewn. As a local seamstress available for mending, alterations, or custom projects designed with clients, anyone willing to drive to the studio space is in the target market.

There are two types of ideal clients for SBS:

1. The first ideal client has the quick and simple project with high profit margin. This client has an incredibly simple task and has no problem paying the \$X minimum. They need one quick machine stitch that takes



a total of 2 minutes to complete. Because the studio space provides easy and flexible access to the services, SBS doesn't waste time meeting with them and delivering product. They simply walk in, drop off their item, describe what needs to be done, and wait for it to quickly be fixed. A steady stream of these kinds of projects could result in \$X-\$X/hour.

This ideal client is a 35-year-old man. He has a good tech job in Goleta and drives a new, yet modest car. He needs a button replaced on his Ralph Lauren shorts. They are such high quality that they even have extra buttons sewn inside the waistband. This is great for his seamstress who only needs to provide thread and sewing service, and is spared from searching for a matching button. He is able to bring in the item and wait just a few minutes to have it returned to him. He pays \$X for the quick fix. He comes by the sewing studio once each month with \$X-\$X worth of work to be done. His problem is that he has nice, expensive clothing that needs just a little maintenance to keep it looking and feeling great.

2. The second ideal client has a big project that pays \$X/hour and has at least 10 hours of work to do. This client is great because she provides steady and consistent work. She is intentionally supporting a local artist (SB Seamstress). She has plenty of money to play with and can spend it on a fun piece of custom festival attire. She wants custom pants or a new jacket with lights sewn into it. She also gets a kick out of helping a local artist who is attempting to make a living in a very expensive city doing artesian craft work. She values fine art and supports entrepreneurs.

The critical needs of the target market for local seamstress work is that they want to extend the life of their most cherished garments or they need custom work done that can't otherwise be purchased through a commercial retailer. They don't want to end the life of a favorite piece of clothing just because a little belt loop fell off or a rip occurred in the shoulder, yet they can't comfortably wear it without getting it fixed. Some of them just want to avoid shopping for new clothes. They'd rather pay \$X to repair existing clothing than pay the same price for new clothing if the former option allows them to avoid the hassle of shopping.

DEMOGRAPHIC – overall, it includes basically anyone and everyone who can get their garments to the sewing studio. Ideally, the demographic is people in their 30s-60s who have custom ideas and big budgets (around \$X).

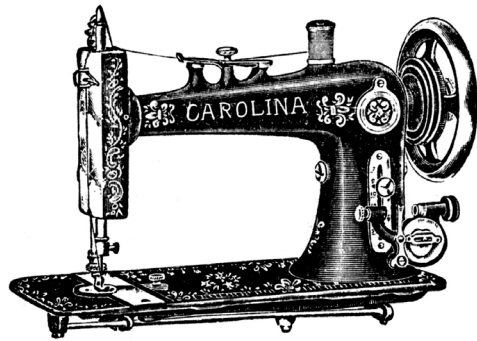
GEOGRAPHIC – they live in Santa Barbara, Goleta, Carpinteria, Montecito and possibly Los Olivos and Santa Ynez. In a few years, they will live in Los Angeles, Kansas City, New York, and beyond because they will be willing to fly in a high-end seamstress and designer to work with them on big projects.

PSYCHOGRAPHIC – they love Santa Barbara and the outdoor California lifestyle. They value beauty and nature and travel. They are healthy, well-educated, and enjoy exploration. They consciously spend money on things

they perceive to have a high value, be it a combination of quality work and ethically sourced materials.

For general mending these clients spend around \$X/year. The average person needs a few garments fixed or altered every few months. It is a semi-constant problem.

For custom projects that we design together, they spend much more. They might spend \$X for custom cushion covers for their sail boat or \$X for a custom festival fur coat that they don't actually need, they just want. If the same client returns to SBS for multiple projects, they may spend \$X-\$X each year.



SBS expects to capture the majority of locals who need to hire a seamstress. SBS's prices will be competitive with other local seamstresses and tailors. Seamstress's competitive advantage is that it also offers an artistic culture alongside the services. SBS's website alone makes clients want to work with Megan since it has so much personality and entertainment compared to the bland straightforward business approach of the competition.

For general seamstress work, the area of distribution is extremely local. Clients have to physically bring their items to SBS so it depends on how far they are willing to travel. SBS is conveniently located downtown so it is easy for locals to reach. If someone wants to drive from Ventura, they can, but that would be out of the ordinary. SBS doesn't accept items in the mail because it is preferable to work directly with the client. If they need clothes altered, it is best for SBS to measure against their body.

The entire local population (within a 25 mile radius) is a potential market, and about 90,000 people live in Santa Barbara. However, the number of wealthy individuals who will hire SBS for bigger projects is much narrower. Santa Barbara Seamstress hopes to capture about 10% of customers in this distribution area, or about 9,000. SB Seamstress' niche is custom sewing work with creative design input.

Santa Barbara Seamstress is available to sew a variety of projects. These include, but are not limited to, quilts, clothing, costumes, pillows, curtains, and slipcovers as well as providing mending and alterations to existing clothing.

COMPETITIVE ANALYSIS

The competition is other local seamstresses and tailors, such as X and X's Alterations. Their strengths are that they have an established history of service so they have loyal customers. SB Seamstress, on the other hand, is starting from the ground up so it make take some time to build a reputation. They also have specialized niches, such as bridal gown alterations, whereas Megan is (currently) a general seamstress.

Indirect and secondary competitors come from department stores such as X and X's department stores offer seamstress services to their clients. Competition also comes from clothing manufacturers who offer new items at the same price that SB Seamstress would charge to fix an older item.

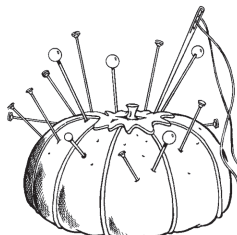
The window of time to enter the market is not time sensitive.

One possible barrier that may hinder SBS is that it may be difficult to be able to complete the work fast enough. If business is strong (and we hope it is!) there may be so much work that it can't be returned it in a timely

manner. SB Seamstress stands by its craft so the business is reluctant to hire another seamstress. However, if demand is high enough, other seamstress' will be considered.

SB Seamstress doesn't have a high investment cost. The studio space is incredibly affordable, thanks to the gracious landlord at SBCAST (although this space is temporary and rent will increase within a year. This could be a barrier if business doesn't increase). The technology isn't really changing. Sewing machines are built sturdy and the nature of sewing isn't about to change. However, there are many technological advancements surrounding the textiles industry that SB Seamstress is interested in specializing in, such as combining electronics with fabrics. Knowledge of how fabrics are made, and researching how they wear and tear under specific stress is a pocket of knowledge that would be of great value.

Santa Barbara Seamstress is confident that this business will break even within 6 months and be profitable within the year. If general seamstress work is consistently billed at \$X/hour for 30 hours per week all year long it will bring in about \$Xk for the year. This is a workable temporary income for Megan with the potential for exponential growth as her skills become more specialized.



FINANCIAL PLAN



FIXED COSTS & COSTS OF GOODS SOLD

MONTHLY FIXED COSTS:

- \$X–studio rent
- \$X–sewing notions
- \$X–website hosting
- \$X–transportation
- \$X–flyers/promotional materials

COST OF GOODS SOLD:

- \$X-\$X for some projects, if needed, such as ordering a specific zipper
- \$X/hour–pay Megan for her time

When clients submit goods that need to be altered or fixed, Megan needs to give an accurate price estimate that pays fairly for her time invested in working on the item plus a small percentage to cover overhead costs. After she brings in about \$X/month to cover overhead costs, most of the additional income should go towards profit, unless there are other costs that come up, such as buying more supplies or maintaining machines.

START-UP COSTS

Start-up costs have already been taken care of for the most part. Megan is already moved into her studio and generating business! Ongoing, she will still need to pay monthly rent, continue to upgrade her tools and notions, and pay for printing flyers and stickers that promote the business. She has about \$X in personal savings to prepare for these costs.

MONTHLY BREAK-EVEN

Each month, the business becomes profitable after about \$X in income has been generated. Monthly overhead costs are estimated at \$X, but an extra \$100 has been factored in for unforeseen costs. Once that amount has been brought in for the business, additional revenue goes towards profit.

In about a year, the rental price of the studio will increase to about \$X/month. Liability insurance will also be needed to be purchased. In about 1.5 or 2 years, the business will move out of SBCAST and into its own location. The business will have to be functioning at a high profit to cover these costs. If the numbers go smoothly at this micro-level, they should be fine operating at a higher level because the time put into the business will have multiplied along with the rental costs. It is currently a part-time business with part-time rent. When it functions in its own rental space it will be a full-time business with full-time rent.

CASH FLOW PROJECTIONS

If 10 hours of general seamstress work is billed each week at \$X/hour, the business will bring in \$X/month. This is enough to cover overhead costs but not enough to operate as a long-term sustainable business. However, this is an extremely conservative estimate, though will likely be the reality for the first few months.

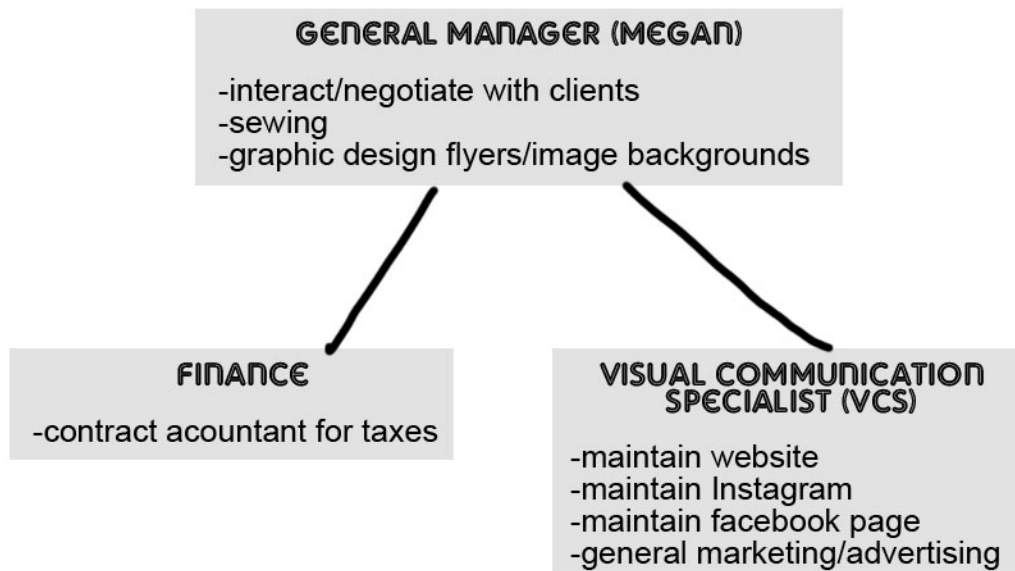
If 40 hours of general seamstress work is billed each week at \$X/hour, the business will bring in \$X/month. This is enough money to cover monthly overhead and will provide the owner with enough income to rely on regularly, with the intention of expanding the business in the future to much higher profits. However, it will take at least 6 months to generate this steady flow of income. It is likely that the business will rarely bill more than 30

hours per week due to a combination of factors. SB Seamstress may choose to dedicate significant time towards developing personal projects and spend time researching specialized technology surrounding the textiles field. If there are a variety of small projects, it may be difficult to consistently bill for 8-10 hours of work per day since there may be short gaps in time between ending one project and starting a new one.

MANAGEMENT & OPERATIONS



ORGANIZATIONAL STRUCTURE



LEGAL STRUCTURE AND INSURANCE COVERAGE

Santa Barbara Seamstress is a Sole Proprietor.

MANAGEMENT

Megan Illgner owns and manages the business. She oversees all operations. Her professional qualifications include 2 years experience managing an office at a collective and 2 years managing a hectic live music nightclub. She has awareness and understanding of how many different gears need to spin and interlock in order to keep a business machine running smoothly. She also recently graduated with honors from a 14-week self-employment program at Women's Economic Ventures (WEV).

PERSONNEL

SB Seamstress will contract an accountant to sort out taxes. Megan will input daily booking to keep track of finances.

SB Seamstress will also contract a Visual Communication Specialist (VCS) when she is ready to delegate graphic design and web work. This position will require a basic understanding of photoshop and front-end web code. When products are photographed the VCS will cut them out in photoshop and send the files to Megan who will ultimately design the background and effects around the product. Once Megan has completed the product images, the VCS will then upload those files to social media, such as Instagram, Facebook, and the main website (SBseamstress.com). The VCS will maintain social media, such as posting relevant updates and actively “liking” other social media that may help with networking. The VCS will also maintain the website, SBseamstress.com, by uploading new information there and responding to potential client inquiries.

A small support team is available. The accountant will be contracted when Megan has high enough volume of sales to warrant the need. An attorney and insurance agent will come in the future when the business is generating high sales. The people at SBCAST are also a very supportive artistic team, available for collaboration and trade. If Megan wants to post a sewing video to youtube, there is a video artist on site at SBCAST. She may simply trade a sewing project for a video.

OPERATIONS / POLICIES & PROCEDURES

SYSTEM FOR ACCOUNTING – All business expenses will be tracked by filing receipts. Print all records of expenses, including rent. All records will be filed into folders in the beginning and converted into a digital system such

as Quickbooks within 6 months.

Santa Barbara Seamstress has complied with governmental regulatory requirements by obtaining a business license. Currently, the business is providing a service, which is mending and alterations. A seller's permit will be obtained once merchandise is ready to sell.

Most of the costs are fixed and can't be simplified, such as monthly rent, basic notions supplies, and regular sewing machine maintenance. But even so, the cost of running this business isn't too high. The business will be located in Santa Barbara where rent happens to be high so the studio space will have to be small and well organized to allow for maximum production. It can also be a shared space to split the cost of rent. A new location has not yet been determined. It will be about a year and a half before the space will be relocated.

If the start-up costs exceed initial profit (up to \$X) Megan can cover it out of personal savings. Beyond that, the business would have to look for a loan.

The business model will have to be adjusted if sales expectations are not met. There are several factors that can be adjusted. Prices can be raised or more work can be produced by hiring another seamstress. Megan prefers to design all visual elements such as marketing flyers, advertisements, and backgrounds for product images. However, if she needs to spend more time working in the sewing studio, she can out source these responsibilities.

Santa Barbara Seamstress is extremely confident that the business will operate at a profit based on research and the fact that the business is already operating at a small scale with high demand.