

2017 Premier's TAFE NSW Scholarships

Beyond Fashion Design:

Implementing Creativity and Innovation for a Sustainable Fashion Business Model

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# Introduction

Australian fashion design students are graduating with impressive bodies of work that display a high level of creativity and innovation in textiles, pattern making, garment construction and conceptual exploration of themes. Many of these students want to start their own business after graduation but are hindered by a lack of funding and resources. They have also witnessed the closure of many prominent Australian design houses in the last five years and feel that starting their own business would be a risky, unwise and an ultimately fateful career move. As a result, many talented graduates are either:

* pursuing off-shore careers
* working for larger Australian companies
* or abandoning the fashion design industry altogether.

This is a problematic trend that will become more apparent over the next few years. A decrease in emerging labels will ultimately mean less employment opportunities, a loss of Australian design identity and a gradual dwindling of what could be an exciting and lucrative Australian fashion industry.

# Focus of Study

Throughout my five week study tour I visited seven cities and met with many designers, textile companies, fashion start-ups, incubator program managers and innovative manufacturing platforms. I wanted to gather information which will help graduating students to not only enter the industry, but have success and longevity. Upon reflection, I have broken down the most useful information into four categories:

1. incubation/accelerator programs
2. cross-pollination with other industries
3. investing in local and alternate manufacturing/supply chains
4. crowd/seed funding

# Significant Learning

## Incubation/accelerator programs

In each city that I visited, I investigated the various incubator and accelerator programs on offer in those areas. Some were government-funded initiatives to foster local talent and boost international trade, while others were privately funded by larger corporations that could see the value of investing in new ideas. Despite different approaches, they all had a common goal of fostering new talent and helping to grow and sustain emerging enterprises.

This was done in various ways such as offering:

* rent free or subsidised studio space
* showroom and exhibition opportunities
* business support
* industry contacts
* financial grants.

I spoke with several businesses have participated in such programs, and while they all agreed the financial grants were helpful, they unanimously agreed that the endorsement from the program sponsor was of greatest value. The seal of approval not only helped them to gain attention, but also instilled a level of confidence in potential investors.

The programs with the most funding and documentable influence were the privately funded technology focused incubator programs. They are interested in fashion start-ups that are disrupting the industry and have scalable potential. From my observation of successful participants, the majority have taken their design skill sets and collaborated with other industries. An excellent example of this is UNMADE studios in London. UNMADE is a truly disruptive start-up with feet firmly grounded in both the fashion and technology worlds. On the surface, they produce customisable knitwear that can be produced at the same cost as bulk production. The long-term goals and future impact of this approach have the potential to definitely change the industry for the better, eliminating waste by only producing on demand, with a rapid turnaround.

To create such ground-breaking software and production processes, a lot of time and resources are needed. Initial rounds of seed funding raised over £2 million (AUD $3.5 million) from backers such as Connect Ventures, Felix Capital, Farfetch CEO Jose Neves and Zegna’s head of digital Edoardo Zegna.

Given that around 20% of all garments produced in the world are made on industrial knitting machines, there is obviously great potential for this ground-breaking approach. But still, how do you get big backers on board when you don’t yet have a proven track record? I spoke with fashion director Kirsty Emery when I visited the UNMADE studio in London. She stressed that the importance of taking part in an incubator program was in gaining contacts, and a seal of approval from industry influencers.

In terms of locally run initiatives, The Australian Fashion Chamber (AFC) was formed in 2014 to support, nurture and promote Australian design both locally and abroad. It models itself on the British Fashion Council and the Council of Fashion Designers of America (CDFA). The CFDA runs several incubator and accelerator programs, providing different levels of support for students and recent graduates through to more established internationally stocked labels. At the more established end, they run a highly esteemed and well publicised two-year business development program, offering low-cost studio space, business mentoring, educational seminars, networking opportunities and exposure to an international audience.

The Australian Fashion Chamber do not yet run an incubator program as such, however selected designers have received support to show in international show- rooms. Unfortunately, there is still very little support for the not-yet established designers. They do promote the BT emerging designer awards, however to enter, designers need to provide yearly gross turnover figures, and a proven track record across several seasons, which rules out the genuinely emerging labels.

Kelly Hush, Deputy Chair of the AFC and Editor in Chief of Harpers Bazaar Australia, has identified the local industry as being “different to the rest of the world, and if we don’t nurture Australian talent, then that independent, individual voice will be lost”.
I believe that nurturing needs to take place in the very early stages of launching a brand, and that is what is largely missing in the local industry. One exception I have identified is a Sydney based, privately run mentoring program operating as the Design Residency. Aimed at recently graduated designers, the Design Residency provides studio space, mentorship, PR service, and networking opportunities. The all-inclusive program is precisely the sort of support emerging designers need, but as a privately-run business, there is also a monthly fee, which can eliminate many potential candidates. However, for those who can afford it, it is a service that might be worth investing in, rather than engaging the services of a PR company.

## Cross-pollination with other industries

The skill set taught at The Fashion Design Studio at TAFE focuses on garment design, and the skills required to turn a two-dimensional sketch into a wearable three-dimensional garment. It is a very focused course, and the resulting bodies of work produced by graduates are very impressive. These are invaluable skills. However, the industry relies on selling, and the online marketplace makes up a large and lucrative part of this. This is just one area where designers need to be collaborating with other industries, particularly the tech world to bring the product to the marketplace, and not just operating in what I believe is quite an antiquated studio setting of designing, sampling and selling to wholesalers on a seasonal schedule.

While in London, I was very impressed with scarf designer Emma J Shipley’s innovative collaboration with the Fashion Innovation Agency. The young designer worked closely with app developers Meshmerise to create a unique selling platform, “Scarfi”. The app uses virtual reality and animation to map the users jaw line and neck, and accurately depict the illusion of a draped scarf. Users can try on different designs, share to social media, and purchase items on the spot, making the most of e-commerce capabilities.

As a designer, it is not unusual to wear several hats, from creative direction, to pattern making, sampling and public relations. It is unrealistic to think designers will also be proficient (or have the time) to be marketing, e-commerce and digital specialists. For this reason, collaboration and strategic alignment are essential for emerging fashion designers. Kirsty from UNMADE studios stressed the fact that their company is built on the approach of cross-pollination with other industries. While she is a fashion graduate herself, most of the staff at UNMADE are computer programmers who are innovating the technology behind the manufacturing process which will allow UNMADE to produce customisable garments on demand, and significantly reduce waste.

While in America, I met with Nineteenth Amendment CEO Amanda Curtis, who started her online platform after witnessing so many talented designers being unable to fund production and reach a suitable market for their designs. She launched her online platform to bridge the gap and foster designers in their initial years. The website fuses tech and fashion to not only curate the collections of independent designers from around the world but to provide a backend system for designers to effectively manage production with affiliated manufacturers with no production minimums. I discussed the logistics of her innovative business, and I think there is real potential for Australian graduates to align themselves with the company. At present, they work with designers from 29 different countries, and they are looking to gradually expand their manufacturing base beyond the United States.

What impresses me most about this new way of producing and selling is designers do not have to risk up-front production costs. Instead, they pre-sell through Nineteenth Amendment and their own site, and produce only what is sold, with a production turnaround time of four to five weeks. On demand selling means designers are never out of pocket, but more importantly, it addresses the issue of mass production and waste. In addition to providing manufacturing support, being aligned with Nineteenth Amendment also gives designers otherwise unattainable exposure by partnering with major players, such as Macy’s and Lord and Taylor, who help facilitate trunk shows and expose the work of independent designers to a larger market.

Upon returning from my global study tour, I was introduced to a comparable emerging Sydney-based tech start-up, LUSTR. I met with founder Angela Liang, who explained that the idea for LUSTR was conceived at a Sydney Tech Hack-a- thon. Working as a stylist, she kept hearing the same complaints from emerging designers, namely that as a “one-man-band” they didn’t have the funds to invest in marketing and reach their potential customers. She took this dilemma and pitched a winning idea, seeing her and her team flown to Silicon Valley to take part in an accelerator program. The platform is set to launch in late 2017 and allows emerging designers to connect with an online community, using detailed customer profiling, and gathering useful data and insights which designers can utilise before investing in costly production.

## Investing in local and alternate manufacturing/supply chains

As Australian manufacturing continues to gradually dwindle, a majority of designers feel they are forced to produce garments offshore. Local manufacturers cannot compete with the highly competitive garment industry in places like China and India, and those that remain charge premium prices. While the ease of online communication has made offshore production an otherwise accessible option for emerging designers, they are faced with unrealistic minimum order quantities.

I spoke with Yorkshire based designer Eleanor Scott of the label NOR, who started her sustainable contemporary label with the aim of filling a gap in the market for handmade knitwear at affordable prices. Knitwear is a particularly costly and time-consuming category of clothing to initially sample, and so production minimums are generally much higher than the “cut-and-sew” category. She decided to take a grassroots approach and keep all sourcing of materials local and sidestep the outsourcing of production to factories altogether. Instead, she invests her time teaching local domestic knitters how to create her garments at home. By employing freelancers, she is not only ensuring garments are produced both locally and ethically – but she is providing flexible employment and paying per piece. This also means she can produce 3 or 300 garments, depending on the demand – rather than being stuck with surplus stock.

Since launching her brand in 2013, Sydney TAFE alumni and now New York based designer, Caroline Fuss of HARARE, has invested a lot of time developing close working relationships with skilled artisans in Guatemala, Sri Lanka, India, Peru and Cuba. Many of these contacts were made by way of trade tourism opportunities. To boost trade and international relations between designers and manufacturers often in less established or remote areas, many organisations will fly designers to their factories and mills to establish ongoing working relationships. In Caroline’s words, “We establish and nurture relationships with master craftsmen and women across the far reaches of the world to provide them with the tools and finance to allow them to preserve their otherwise dying art forms”. These mutually beneficial relationships have also allowed her to produce smaller quantities in her first few seasons.

## Crowd/seed funding

Emerging designers are in the fortunate position of operating in the age of online crowdfunding, where anyone with access to the Internet can invest in a good idea. In the case of brands selling a product, the product is sampled and then offered as a pre-sale, usually with incentives for those willing to hand over cash before the product has gone into production. The benefits of this are two-fold, bringing in capital so that the designer is not out of pocket, and providing valuable market research as to which products will sell. If the idea does not receive enough backing, usually the idea for the product or brand stops there. This can be an extremely effective way to launch a brand, however according to Kickstarter statistics, less than a third of campaigns reach their fundraising goals.

While in New York I met with one of the four founders of Wool & Oak – a very successful start-up company who make luxury hybrid travel bags. The team were occupying a pop-up space in Soho while their first round of crowd funded orders were being produced. They were not there to sell as such, but to promote the product and receive feedback from customers. They launched the brand on Kickstarter, and almost 3000 backers helped them raise $2.3million. The advantage of crowdfunding, as opposed to seed funding, means the company is selling a product to the backers, and not a portion of the company. This allows them to stay independent, and raise capital for production, seriously reducing financial risk.

But how do you get customers to hand over hundreds of dollars for a product that hasn't yet been made? It all comes down to a well-made, desirable product. I was able to road test the Wool & Oak products in store and can attest to the fact that they have created a stylish and useful range of goods. However, the thousands of backers who discovered the brand online and handed over hundreds of dollars each did not have this luxury. For this reason, an effective, professional marketing campaign and PR strategy is essential. In the case of crowdfunding, a video can be a very powerful way to tell a story, and an opportunity to explain the “why”, as much as the “what” you are selling.

# Conclusion

In summary, the meetings, conferences and observations I was able to make throughout the tour opened my eyes to potential opportunities and strategies which emerging Australian designers could adapt to their own brands. It also highlighted a lack of local support in the very early stages of launching a brand. My hope is that by sharing my findings with both staff and students, Australian fashion design graduates will take a more considered approach to launching and selling their brand, by adopting alternate business models which will plant the seed for a long and successful design career.