



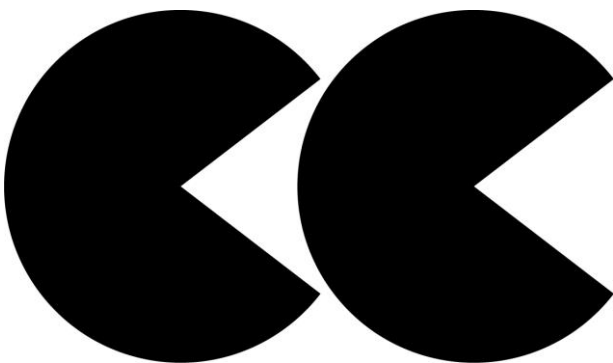
International Case Study

Finance for Creative Business

Patrick Grant – Community Clothing

Blackburn, North West, UK & Global

Community Clothing is social enterprise founded to sell great quality, affordable clothing and by doing so create sustainable jobs and grow economic stability within Blackburn, Lancashire in the North West of the UK. Every garment is made in the UK within one of twenty-eight Community Clothing partner factories with the aim of bringing prosperity to the UK garment making industries after decades of decline.



Patrick Grant is a social entrepreneur, fashion designer, director of Norton & Sons; a Saville Row tailors, E-Tautz, Cookson and Clegg and founder of Community Clothing. He trained in material sciences and engineering. He is Scottish living and working between Blackburn in the North West of the UK and London, UK.

What sort of creative entrepreneur are you?

I am obviously one that keeps constantly trying to evolve what we do. Not stuck in one thing for a long time. The things we are trying to achieve with Community Clothing are more social than economic gain for the business, more for the community in the North West and to recover their primary industry – textiles.

What stage is your creative enterprise at right now?

We are moving our brand recognition through high profile partnerships with John Lewis (a UK based cooperative partnership department stores chain) that will introduce Community Clothing to a wider range of new customers, which follows up from a similar partnership project we did with Selfridges in London, UK. Because we started from the ground up, and self-financed we are building our product around people who buy the product and maximising on the social / community to build the following. This partnership model really enables and changes the brand awareness for Community Clothing in ways a pure marketing budget could not.

What did it take for you to get here?

Grassroots, self funded through crowdfunding via a successful Kickstarter campaign.

What initial steps did you take to finance CC at the start?

Two things. I used some money from another project I had done with Debenhams, a UK based department store company. And we designed and delivered a Kickstarter campaign. We decided to go the crowdfunding route because of the scalability of the minimum quantities so to get over the initial hurdle we chose Kickstarter, we chose them off the back of feedback from other people.

What advice do you have for creative entrepreneurs considering crowdfunding?

- ✚ There are lots of other crowdfunding sites out there. Look at the pros and cons of each site.
- ✚ We knew we could not sell equity via Kickstarter. With Kickstarter you must sell a reward and the rewards we chose to offer were five of the initial core garment products. It was a pre-sale model and we sold enough to make the minimum order at the factory plus extra for future sales.
- ✚ It was an insane amount of work to reach the initial £75,000 in under one month, to fund the initial production level with wriggle room.

-
- ✚ Over a month, from day one you need to be on it - make it work, hustle everyday, from the start
 - ✚ Before you start you need an exceptionally good set of rewards/assets and factor in the cost of making and delivering these rewards to your backers, who could come from across the globe.
 - ✚ Make a good film to promote your campaign and have good images. Be clear in the film what people are going to support. You might need to fund making the film, although you could use your phone to make it too.
 - ✚ You will need to have the rewards to show people and help describe accurately so consider this i.e. get a set of samples made
 - ✚ Before you launch you will have to have a very clear plan of how to reach enough people i.e. social media challenges, use all of your own network, and be totally shameless about promoting yourself
 - ✚ Use every avenue open to you
 - ✚ Tell everyone you have ever met about your campaign, use press, local radio
 - ✚ As the campaign goes on through the month you need to think of any ways you can think of to get yourself over the line with your target.
 - ✚ Be ready to add the difference if you can – some crowdfunding sites will not fund you if you do not make the full target, so factor this in. We planned to put it on a credit card if we had to, to make sure we succeeded.
 - ✚ We went over our total in the end, but the extra money goes into making the product to fulfil the rewards and post them out on time, so your new community is behind you
 - ✚ You can be creative with your rewards i.e. you can offer a chance to see the product being made in the factory, or work with the company for the day, it does not need to just product based rewards, and if your rewards are non-product based ‘experiences’ you make more money from the campaign
 - ✚ You can view our Kickstarter campaign page via www.kickstarter.com/projects/267973823/community-clothing-make-clothes-create-jobs-restor

How has your financial model grown over time?

We are considering doing another Kickstarter campaign to launch a new product group with big minimum order size cost, this is in the pipeline. However mainly our income comes from selling the product line via our online store and occasional in store partnerships with brands like Selfridges and John Lewis or pop-up stores, pre-Covid.

Some conversations we were having about investments have taken a break, during the pandemic because the risks are different now.

We are exploring specific pots of money for social businesses via the UK Government Access Fund and the Big Society Capital. Sometimes there are pots of money given to social enterprise with specific social outcome i.e., for Community Clothing this links to our economic and employment objectives.

Community Clothing has a loan that will enable profitability, not a huge loan with reasonable terms to fit with business model via UnLtd. The loan partner is helping with other aspects of the business as well as funding. It is helpful as they understand the social purpose of our business.

Have you considered other financial options for Community Clothing?

We know most banks look at past performance not future performance i.e., so with no or low trading history most banks will not back you.

Now in the UK there are more organised groups of impact investors but for us sometimes the sums of money we need are too small for certain investors.

What experience did you need personally and within your team to grow?

I had to have an idea of where it is going, a clear plan. So, it is important you someone in your team who understands planning, it does not need to be an MBA level business plan, more someone who can say, "Here is the plan and roughly speaking this is the direction."

You need a person who can visualise the plan, and on a daily basis make sure as a team you are working to the plan, and the whole team know where you are going

You then need a numbers person, not necessarily a trained accountant, more someone who can use an accounts package, handle the cash flow and profit and loss workings (P&L). This is vital as most businesses fold without cashflow.

We are constantly working with cashflow given the nature of the fashion cycles in the seasonal way the industry works. On average it is a fifteen-month cycle from first designs, showing the collection through to sales.

My role is to lead the overall direction of business. I feel comfortable about this, as an entrepreneur with a level of stress most people are lucky will never experience.

You are always thinking about nearly running out of money, so enjoy eating beans on toast, just generally do not be an entrepreneur to make yourself rich.

If this your aim, then you are probably unlikely to succeed. Have total passion for your thing, you are not always going to pay yourself immediately, so be sustained by your passion and your cause.

How useful is being creative when it comes to your finances and growth?

I think being creative is just being able to envisage something that does not exist yet. When you are trying to sell the idea to someone exist, convince them thoroughly and that the idea is real, credible, and doable. Tell them the story of the thing that does not exist yet. The finances and numbers are just a different way to tell your business plan, doing the numbers is the creative core of what you do. Learn to tell your story through your numbers.

What your top advice to anyone looking to grow their creative enterprise?

- ✚ If you can keep your costs low and try to walk before you try to run.
- ✚ You must be very realistic about who is going to buy your idea, product
- ✚ It is tempting to get caught up in your vision - the world has already got people who are already doing similar and already have people buying into their stuff, so what makes you different?
- ✚ To be successful, unless you have a completely novel idea, people must love you more than any other brand that they are already buying from i.e., we had to get people to pivot away from buying Gap or Levi jean towards buying our Community Clothing jeans.
- ✚ Be down to earth and stay being true yourself.

What advice can you give entrepreneurs looking to trade globally?

- ✚ To become successful with trading in different territories look to build authentic and honest products and be surprised which areas become fans and buyers of your products.
- ✚ Ordinary things like PR, influencers work as well as travelling to the country - this only goes so far. For example, we have had real success with Japanese customers because our products fit them, the shape is right, so the product is the thing that they buy into.

Patrick Grant's LinkedIn profile <https://www.linkedin.com/in/patrick-grant-b80715/>

Company Website communityclothing.co.uk/

Company Instagram [@community_clothing](https://www.instagram.com/community_clothing)

Researched, interview initiated and transcribed by [Anna B. Sexton](#), [Open To Create...](#) 2021
Access the Creative Economy E-Learning Programme by the British Council [HERE](#)