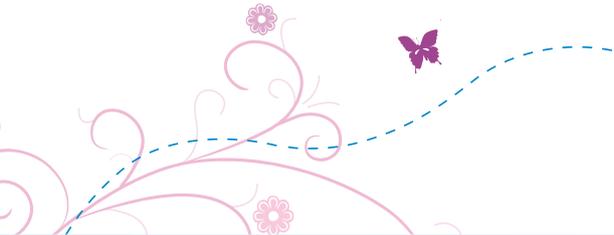




start your own embroidery business

with Brother's PR620...

At your side.
brother®



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Brother's guide is here to help you and contains all the information you need to start up, from helpful information on taxes, payrolls and returns to useful advice on how to handle sales and marketing. So good luck with your new business venture ... and here's to your first million!





introduction...

Like most of us, you've probably thought about the independence, satisfaction and financial rewards that stem from owning your own business. Maybe you've even investigated the possibility, only to be deterred by high start-up costs, rigid franchise requirements and opportunities that seem too good to be true.

Sound familiar? Maybe so, but these failings are not common to the personalisation/embroidery business where you need no independent office or retail space, you can simply get on with what you do best in your own home.

Steve Fothergill
Head of Embroidery & Sewing Solutions Division



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Consider what it would be like to transform everyday items such as shirts, caps and robes into custom embroidered gifts, corporate apparel, uniforms and personal souvenirs.

The state-of-the-art PR620 is designed to give you the basic equipment to become your own boss, with the flexibility to choose your own workplace and begin your own embroidery business.





benefits of starting your own business using the PR620...

There are many benefits of starting your own business and here are just a few :-

You can choose your hours

Work part-time, full-time, mornings, evenings, weekends, after the kids have gone to bed or before they come home from school.

You can choose your location

In your home, at a commercial location or within a retail outlet. Or, how about a mobile embroidery business that allows you to travel to exhibitions, fairs, festivals and special events.

You can choose your income and profitability

Your income is directly related to the time and energy that you devote to your business. Since you're the boss, you have control over your expenses and prices.

You can even choose your customers!

School sports, favourite pastimes, interior design, items for pets, corporate identity apparel, weddings, graduations, new babies, family reunions - the possibilities for selling your products are endless.



exceptional profit potential...

The profitability of any business is dependent on how well-run and efficient it is. Healthy product markups are the norm in the personalisation/embroidery business so there is no reason why you shouldn't expect high profit margins if you monitor your finances and put the hours in.

profit calculator

Golf Shirt	£
Suggested retail price	12.00
Your wholesale price for shirt	4.50
Supplies to personalise (thread, backing, etc.)	0.50
Labour (5,000 stitch design)	2.00
Less your cost	7.05
Your gross profit	4.95

Caps	£
Suggested retail price	9.00
Your wholesale price for cap	1.10
Supplies to personalise (thread, backing, etc.)	0.30
Labour (5,000 stitch design)	2.00
Less your cost	3.40
Your gross profit	5.60

Team Jacket	£
Suggested retail price	45.00
Your wholesale price for jacket	1.10
Supplies to personalise (thread, backing, etc.)	0.90
Labour (30,000 stitch design)	12.00
Less your cost	26.90
Your gross profit	18.10



You would only need to supply 300 team jackets or 1,000 caps to pay for your PR620!



more about the PR620

Achieve professional embroidery results with Brother's PR620. A versatile, compact machine which will fit into your home and yet is portable enough to take on the road. Best of all, its attractive price means those big dreams can be realised with just a small investment.

The PR620 incorporates all the user-friendly functions of a Brother home embroidery machine with the versatility, speed and professional finish of a commercial model. It gives you power and technology yet is incredibly easy to use - and is perfect for running your own business.

As with its predecessor, the PR620 is a single head machine with sensors to automatically stop the machine if the thread breaks or runs out. Automatic colour changes can be pre-programmed and the design information is retained in the event of a power failure or if the machine is switched off. Designed to be sufficiently rugged for continuous use, yet portable enough to be transported to craft fairs and events, it offers similar features to other top-of-the-range industrial models and at a realistic price.

Included in the box :

Embroidery Hoops

There are four different hoop sizes, just choose the one most appropriate for your project. The PR620 will automatically know which hoop you have fitted, so you don't have to change any settings. Hoop sizes available : - 200mm x 300mm, 130mm x 180mm, 100mm x 100mm, 40mm x 60mm

Toolkit

The PR620 Toolkit is supplied with screwdrivers, scissors, tweezers, cleaning brush, seam ripper, replacement needles and oil. There is also a USB cable supplied as standard so you can connect the PR620 to your PC.



NEW
Cylinder Frame
option



PR620 optional accessories -

1. Cap Frame Attachment

Embroider various popular cap styles quickly and easily.



2. Flat Frame

Make easy work of embroidering jackets and other thick garments.



3. Cylinder Frame

Embroider virtually anything that's cylindrical and normally difficult to sew.



4. PE-Design Lite & PE-Design 7

Design your own unique embroidery patterns in a few easy steps. Scan drawings or photos, or use clip art images and transform them into embroidery. Convert your customers chosen image into stitch data quickly and easily. This software gives you unlimited creativity to make the most of the PR620's powerful features.



5. Embroidery Card Library

Choose from 100's of designs in Brother's extensive Embroidery Card Library.* Embroider your choice of patterns automatically by simply inserting a memory card into the designated slot.



*Some designs cannot be used for commercial purposes.



Finance options
are available when
purchasing the PR620

Choose either:
12 months Interest Free,
12 months Buy Now, Pay Later
or 3 Years Finance @ 14.9%

Ask your local agent
for more details.

funding

There are three main sources of cash to get your personalisation/embroidery business up and running: loans from banks or investors, shares and equity and government grants.

Borrowing money of course comes at a cost but it's one of the key sources of funds for a new business. However, there is a way to get tax relief against the cost of borrowing, for example if it is to purchase an asset.

Equity finance may offer a cheap way to access funds for your business but it too comes with a price tag – you must relinquish a certain share of the ownership or a share in profits to the investors. The two main sources of equity are venture capitalists, who will invest large sums of cash in return for business shares, and business angels, informal investors who wish to put some of their own money into a new business venture and hope to make high returns.

Grants are given for planned specific projects or purposes - and must usually be 'matched' with some funds from the entrepreneur. As well as the government, the European Union, regional development agencies and some charities also offer financial assistance to fledgling businesses. A good source of grants for training and skills development is the Learning and Skills Council, the government's New Deal policy is also a possible source of grants to help businesses recruit from the long-term unemployed. Grants can be targeted to help specific locations and sectors that are in need of financial assistance.

Applying for grants is not easy however, strict criteria are often in place and there is usually strong competition. If the terms and conditions of the grant are not adhered to, repayment can be demanded. It always pays to check carefully before applying that your idea qualifies for the grant scheme. You will also be expected to provide detailed information about how your proposal will work in practice. And remember, grant decisions can often take a long time – so be prepared to be patient.

health & safety

It's essential that any new business, particularly one which employs people – has an understanding of its legal responsibilities with regards to health and safety.

All companies which have more than five employees must draw up and adhere to a health, safety and environment policy. A health and safety risk assessment must also be carried out by law, before you can begin operations. This involves identifying potential hazards, an evaluation of risks and the identification of risk-reducing strategies.

It's also an employer's responsibility to provide a comfortable and clean workplace and to ensure all accidents, illness or injuries which occur in the workplace are recorded in an accident book. It's vital to bear in mind the financial and legal penalties a company can face if it fails in its duty of care to employees.

Employer's liability insurance can help protect a company in the event that an employee safety issue reaches court. However, if a company is able to show it has taken effective steps to prevent such accidents in the first place, it may be able to reduce its premiums.

For information on
workplace health
and safety, visit the
Health and Safety
Executive's website:
www.hse.gov.uk

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Employers need to be aware of legislation such as the European Working Time Directive. This limits the number of hours that can be worked in a week, the minimum wage, and statutory obligations regarding disciplinary and grievance procedures, as laid down by the DTI. In addition, it is vital that an employee's contract sets out all a company's policies and procedures and what sanctions can be applied in the event of a breach.

employing people

There are several steps to recruiting staff. From setting out a job description to judging whether the applicant is suitable; recruiting the right staff is essential in defining the success of any business venture.

1. Set out a job description. Once you've decided to recruit, the first task is to set out a job description you can use as the basis for assessing who gets the job.

2. Find your employees. Applicants can be found through a number of routes. Firstly, you could go through the whole process yourself – though this can be time consuming if you are in a hurry to recruit. Alternatively job centres or recruitment agencies can help – though the latter charge fees which can be as high as a quarter of the successful candidate's annual salary. Recruitment agencies can be useful if you are looking to find someone away from where you are based or if you need to fill a post quickly.

3. Judge if the applicant is suitable. A thorough assessment has to be made of whether your potential employee fits the person specification and can perform on the basis of the job description. It's vital to score candidates on the basis of their ability to do the job. Employers need to be aware that discrimination against a candidate on the basis of sex, religion, race, age or disability is now illegal under the Discrimination Act. You also need to check that an employee has a legal right to work in the UK – either they are a British citizen or they have the correct work visa. The onus is now on employers to make these checks either by asking for a passport or a national insurance number. References can be asked for from previous employers – though many can be unwilling to give anything more than basic factual information, as a critical reference could leave an employer open to legal action for libel.

4. Put in place a probationary period. Once an employee starts work, it's important to put in place a probationary period – usually three months – which allows an employer to terminate a contract if an employee has proved unsuitable.

taxes & payrolls

There are four key taxes that a new business must get to grips with and it's vital to keep up to date with any changes to these in the Chancellor's annual budget.

The tax year runs from April 5th to April 4th, however throughout the year - quarterly, monthly or at the end of an accounting period – a business may have to submit reports to HM Revenue and Customs. It always pays to seek advice from a professional accountant if you are unsure about any aspect of what tax you owe or are liable to pay.

Corporation tax is paid by limited companies or limited liability partnerships on their annual profits – as calculated by the business itself or an accountant. For further information on rates and allowances, visit www.hmrc.gov.uk.

Employers are liable for deducting the correct income tax and national insurance contributions from employees, and for sending them to HM Revenue and Customs. The self-employed must pay their own income tax and national insurance contributions. The further information section of this booklet will show you where to find details on income tax and national insurance thresholds. If you anticipate your first year's trading will be in excess of £54,000 you must register your business for VAT.

Now for the good news: new businesses can claim a number of tax allowances and reliefs that could help reduce their overall tax bill. For example, if you want to buy a piece of capital equipment – the PR620, a computer, premises or a vehicle for example – as an investment for your business, you can offset this expense against your tax bill. Capital allowances can often be higher for some small and medium sized business so it's important to check if your business qualifies.

Tax relief is also available for research and development investment and even on computers lent to employees. Some areas also qualify for exemption from stamp duty – the tax paid on property purchases. Help for small unquoted companies could also be available from the Enterprise Investment Scheme that provides tax relief to investors financing these companies.

sales & marketing

Without marketing and an effective sales strategy, a business has no way of ensuring potential customers will know what products and services are available, or how demand can be met.

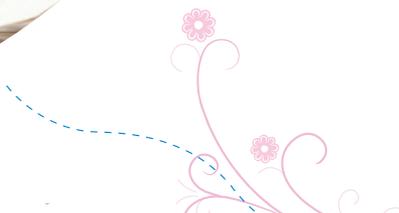
A good starting point is to draw up a marketing strategy and plan. This should address:

- ✦ Who are your customers and what do they want?
- ✦ Where are your customers?
- ✦ How can they be targeted effectively?
- ✦ What do they know about the products already?
- ✦ How is your market changing?
- ✦ Where can new customers be found?
- ✦ How well are you meeting the needs of current customers?

Only when you have begun to answer these questions will you be able to find new business and get the edge on your competitors.

Research

There is plenty of information out there – including government statistics that don't cost a penny, to market reports. Or you might want to commission your own research that can give you answers to your specific business needs.



Segment your market

It's vital that the plan identifies market segments and considers ways to ensure their individual needs are met. It's about finding out what is important to particular groups of your customers, be that price, quality, convenience etc. Any marketing material should then emphasise your strengths in the areas that are most important to your target segment.

Promoting your business

From advertising and direct mail to developing your own website; it's important you establish which tools you need to help you to execute your marketing campaign. The internet is a popular forum for marketing your business and selling your products. Many companies use websites to allow customers to place orders and/or to promote their products or services. Emailing can allow you to reach large numbers of customers quickly and cheaply.

For all your marketing activity, don't forget to ensure you operate within the guidelines outlined by The Data Protection Act 1998. This sets out eight rules that companies must follow for protecting personal data. This includes using personal information for marketing purposes. For further information visit www.informationcommissioner.gov.uk

Evaluate and assess

For a plan to succeed you must subject it to a thorough and constant process of evaluation and assessment. Identify which areas are working and which have failed to produce results and make changes accordingly. By establishing what you are good at as a business, you can identify positive messages which can be relayed to existing or potential customers.



it's not just a dream

Tasmin's business www.tammytutu.com, specialises in the design and production of an exclusive range of embroidered and embellished tutus and other made-to-measure garments for children. Tamsin Seed says *"The machine has been invaluable and has already paid for itself. In fact, I refer to it as my business partner. It's the operational part of the team, allowing me to work faster and spend more time being creative."*

Tamsin Seed, a children's clothes designer, runs a successful business using a Brother commercial embroidery machine

Children's clothes designer Tamsin Seed has seen her budding business flourish since she took possession of a Brother state-of-the-art commercial embroidery machine. Having the machine means Tamsin can work from the comfort of her home which gives her freedom and versatility.

For more detailed product information please phone 0845 6060626 or visit www.brother.co.uk



further information

There are several excellent sources of general information on the internet for new businesses:

- ✦ **www.businesslink.gov.uk** is the government's business advice site
- ✦ **www.startups.co.uk** also has some good tips as well as a forum where budding entrepreneurs can share ideas.
- ✦ The Department for Trade and Industry's website – **www.dti.gov.uk** also has lots of useful general information on starting out in business
- ✦ A guide to choosing a business name and how to register your company's name can be found at the Companies House website: **www.companieshouse.gov.uk**
- ✦ For information on workplace health and safety visit the Health and Safety Executive's website: **www.hse.gov.uk**
- ✦ For more information on the Disability Discrimination Act visit: **www.drc-gb.org** and **www.disability.gov.uk**
- ✦ For information on taxes and tax relief schemes for new businesses visit: **www.hmrc.gov.uk**
- ✦ For information on Patenting visit the Patents Office website **www.patent.gov.uk**
- ✦ For information on getting your customers to pay on time – and thus improving your cashflow, visit the Better Payment Campaign's website **www.payontime.co.uk**
- ✦ For information on benchmarking visit The Public Sector Benchmarking Service's website **www.benchmarking.gov.uk**, or the Confederation of British Industry's website **www.cbi.org.uk**
- ✦ The Learning and Skills website - **www.lsc.gov.uk** – has useful information on training.
- ✦ For information on financial help for small and medium sized businesses visit the Enterprise Investment Scheme's website **www.eisa.org.uk**
- ✦ For advice and information on working from home, visit **www.enterprisenation.com**

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www.brother.co.uk Phone **0845 6060 626**

Brother has spent many years helping small and medium sized businesses get up and running - meeting their needs is at the heart of what we do. We hope, therefore, you have found our advice and guidance here relevant and useful. Whatever your line of business, we wish you every success for the future.

Brother are the number 1 ethical supplier of sewing and embroidery equipment in the UK.

All information correct at time of going to print. ZLFT PR600GUIDEU1

