

# Throw your hat in the ring

It's a challenging time to start a new business, but with the right approach you can still come out on top. **Kim Sullivan** talks to a hatter who took on the recession and won

**D**esigning and wearing hats has always been a passion in the Torun-Shaw household. So when Zofia Torun-Shaw gave up her job as a partner in a packaging company, and her husband Alex was looking for new work opportunities, they decided to open a hat boutique.

The fact that it was 2008 and the height of the recession was no dampener for the enterprising duo. "Lots of people thought our timing was crazy, but we were convinced that there was a gap in the market for gentlemen's hats," says Zofia. "We also saw the recession as a great opportunity to take advantage of the cheaper rents on commercial property and put us in a strong position to take advantage of any economic bounce. It also seemed a good way to fit work around our children, Daisy (five), Lucian (three) and Jemima (23 months)."

The couple had a head start by being in tune with the fashion zeitgeist. David Beckham made the Brooklyn cap trendy, and the Johnny Depp trilby is now a best-seller in their shops. TV series such as *Mad Men* also made hats a fashion

must-have. "Alex had studied millinery at the London College of Fashion, but despite hats becoming fashionable we knew there were no outlets offering a modern environment selling a mix of traditional and contemporary headwear. We picked up on the trend and ran with it," says Zofia.

The husband-and-wife team had excellent transferable business skills, even though retail was new to them. They set about planning, leaving nothing to chance.

"We researched our competitors, where we could best source our hats and which styles would sell well. It's crucial to make a realistic business plan. We

tried to make sure our figures were right from the start, erring on the pessimistic because of the tough economic climate. We knew we couldn't get bogged down with high overheads," explains Zofia.

They approached a local business centre for advice on PAYE and VAT, who were very helpful, as were their bank. "We were made aware of the importance of watching costs as these can very quickly eat up potential profit," says Zofia.

They knew the location of their shop was crucial to drawing in hat-savvy

**"We saw the recession as a great opportunity"**



PHOTOS: RICHARD NICHOLSON

## GOLDEN RULES FOR BUSINESS START-UPS

We asked Denis Palmer, a regional manager for advice service Business Link, for tips on how to start up in a tough economic climate. Business Link ([businesslink.gov.uk](http://businesslink.gov.uk)) is the government website for businesses of all sizes

- **Got a great idea for a new business?** Make sure it is more than a dream by discussing and reflecting on the concept with a colleague or friend to get some objective views. Your idea needs to be original and innovative. Who are your customers and what can you offer that others don't in terms of goods, services, quality, price and accessibility? You need to be ahead of the curve in uncertain financial times.
- **Choose a business where you can grow the skills base you already have.** Most businesses involve an element of selling and require a good basic knowledge and ability with finance.
- **Work on your business plan – it's crucial for success.** Look at all your costs, and be realistic about the best and worst scenarios. Include marketing budgets, and explore best value ways, such as the internet, to promote your business. Most banks require a three-year projection. Always keep paperwork up to date and monitor cashflow weekly. Your bank will want to see evidence that you are monitoring your business if you approach them for financial help.
- **Be innovative – you need to think outside the box to be able to make a success of a business in tough times.** Enthusiasm and drive are vital, matched by careful planning and research.
- **Work at retaining the customers you have through excellent service, new products and loyalty marketing** (eg emailing a newsletter with new offers). It costs, on average, five times more to bring in a new customer than to sell to an existing one.
- **Drive down your overheads – it's always worth trying to negotiate a better deal on your premises and other high-cost outgoings.**



## “You must keep thinking about how to attract customers”

customers, and headed for Columbia Road in the heart of London's Shoreditch, where a collection of boutique shops have sprung up around the old Sunday flower market. They came up with a crude equation based on the amount of rent they could pay against footfall (the number of people passing each day). “We wanted a passing trade of a thousand a day on the basis that five per cent might be interested and one per cent might buy our product. We spent hours nursing a coffee outside prospective outlets literally counting footfall.”

Their first shop, Laird of Glencairn, opened on 1 December 2009. “Our timing was fantastic because we caught the Christmas trade, which gave us an enormous boost. And the location proved perfect, with trendy clientele including Keira Knightley, Emilia Fox, David Schwimmer from *Friends* and Jefferson Hack. This gave us great free publicity so we have never had to spend much on marketing,” says Zofia.

The advantages of cheap rent, minimal outgoings on staff (initially they both staffed the shop to keep costs down) and strong sales soon paid off. “We were the

best people to serve in the shops because we have the passion for our products and the driving force to succeed,” says Zofia.

The success of the first shop quickly led to expansion, and in April 2010 they opened Laird London in Covent Garden (Yoko Ono is just one of their recent famous customers). Laird and Co, their third shop in the City of London opened in November 2010 selling their new luxury own-brand hat range.

“You must keep thinking about how to attract customers. You can't stand still,” says Zofia who project manages the design, buying and finance, while Alex manages the day-to-day running of the shops. “It is hectic, and challenging to juggle a new business with having a young family, but we love what we do.”

[lairdlondon.co.uk](http://lairdlondon.co.uk) ■

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