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A STUDY OF THE UK DESIGNER FASHION SECTOR

Findings and Recommendations

conducted for

The Department of Trade and Industry

and

The British Fashion Council

by

The Malcolm Newbery Consulting Company

26th January 2003

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1. INTRODUCTION

This project was conceived as a result of recommendations made in the Textile and Clothing Strategy Group (TCSG) Report of 2000**: -** *A National Strategy for the UK Textile and Clothing Industry.* In that report, a number of comments were made about designers and support for designers. Specifically it was noted that

- there was a need for "more effective use by the industry of the UK's design talent"
- "the UK is known worldwide for the quality of its design, but UK design graduates are often not attracted to working in UK clothing manufacture"
- "many UK manufacturers are wary of UK design graduates, because of what they perceive as a lack of necessary technological or commercial understanding"

In this context, terms of reference were drawn up by the Textiles and Clothing Unit of the Department of Trade and Industry (DTI), and the British Fashion Council (BFC). These were issued in the form of an invitation to tender in April 2002. A consulting team was assembled (Annexe A). A proposal was made and accepted. The study has as its joint clients the DTI and the BFC. The study commenced in May 2002.

2. OBJECTIVES AND METHODOLOGY OF THE STUDY

The project had four objectives. Using an agreed definition of the "designer fashion industry", they were to carry out the following:

- *An investigation, producing quantified outputs, of the impact of the designer fashion industry on the wider UK textiles and clothing industry;*
- *An analysis of the business support needs of the designer fashion industry using both existing, published sources of material and new material obtained from interviews and surveys as appropriate;*
- *A mapping study of the major elements and sources of relevant generic and specific business support for UK fashion designers, from the public and private sectors, UK and European sources;*
- *A mapping study of current gaps in provision.*

The study was to result in the preparation of a report to be presented to the DTI and the BFC. This was to act as the basis for future collaborative work aimed at ensuring the future success of the UK fashion design sector.

The agreed definition of the designer industry was:

> *"Individuals or teams that combine creativity and originality to produce a clothing collection with a specific or 'signature' identity, exemplified by, but not restricted to, the type of company that participates at international trade shows such as London Fashion Week and its equivalents. Fashion designers may produce diffusion lines in addition to their 'flagship' collections and range from established designers with an international reputation or 'brand' to 'cutting edge' newcomers."*

In order to evaluate the full impact of designer activity on the UK clothing industry, we suggested enlarging the quantification to include the activities of designers working with brands and private label retailers. Consequently, our quantification includes the involvement of UK designers in

- brands that sell in the UK and export markets
- contractual arrangements with UK retailers who provide an opportunity to sell either new or diffusion merchandise

In order to meet the objectives a methodology has been used of

- A questionnaire sent to a representative sample of over 200 designers, both within and outside the BFC London Fashion Week list, and composed of
    - Emerging designers, those whose creative potential has been recognized, but who have minimal commercial success
    - "Getting-On" designers, who have shown collections at a number of trade events, have a few customers, but as yet, limited commercial success
    - Established designers, whose names are recognized by consumers, and who regularly participate at international trade shows
- A questionnaire sent to a sample of 25 retailers, who either do buy from designers, or could buy from UK designers

- A questionnaire sent to 25 UK manufacturers, who either do or could work with UK designers

The questionnaires were confidential, and the responses have been aggregated and analysed. A list of respondents is given in Annexe B. Findings are given in Sections 7-9.

A mapping study was conducted of current support to the clothing industry in general and the designer sector in particular. This included all sources of support, both public and private.

In addition to the questionnaires, interviews have been conducted with

- Universities and Colleges with fashion courses
- Trade associations
- Media
- DTI
- Government support agencies
- Other semi-official and private support agencies
- Knowledgeable industry experts

The list of 54 expert interviews is given in Annexe C. The fact that many more interviews were conducted than was originally envisaged is a testament to the interest shown in the study.

During the months of October and November, workshops were held with limited groups of

- designers
- manufacturers and retailers

These workshops, which were not attended by either DTI or BFC allowed the consulting team to "bounce" findings and conclusion off the groups, and to allow free confidential discussion.

3. EXECUTIVE SUMMARY

The executive summary does not attempt to explain or justify its statements. That is done through the findings and conclusions in the main body of the report. The executive summary does, however, follow the logical order of Section 12 Conclusions and Recommendations.

A fundamental assumption made in the proposal was that there could be no "one size fits all" support regime for the UK designer sector. This is so because designers' support needs will be different at different stages of their careers.

- An emerging designer may need basic business advice
- A "Getting-On" designer may need marketing help
- An established designer may need licensing assistance to extend the business internationally

The study results have found that this assumption was correct and that these situations do exist. To achieve Maximum support effectiveness, the designer sector needs different approaches for different people.

The consultants also put forward the hypothesis that the impact of designers on the clothing industry was wider and greater than just the scale of individual designer businesses. The study also found that this was the case.

ECONOMICS

- It is accepted that mass-market clothing manufacture will continue to gravitate to low labour cost countries.
- The TCSG recognised an opportunity for the UK clothing industry in creativity, design and niche manufacturing.

QUANTIFICATION

- The designer fashion sector has grown from £75m in 1990 to £700m in 2001. Sector business turnover is a mix of wholesale sales, retail sales and licensed income
- This is a compound growth of 22.5% per year. As clothing inflation has effectively been zero, real growth is the same. This growth rate is significantly

greater than that of the UK clothing market, measured at retail prices. It also way exceeds the negative growth in the UK manufacture of clothing.

- Designer clothing sales, that are manufactured in the UK provide employment for 8,500 people. This is 6% of UK clothing employment, significantly greater than the market share held by designers.
- To explain this further, designer clothing accounts for less than 1% of the volume of the UK clothing market. It is worth 3.5% of the value of the UK clothing market. But, it provides 6% of UK clothing manufacturing employment
- When the value of classic and contemporary brands are added to stand-alone designer businesses, together they represent 14% of the UK market.
- Designers have export sales of £390 million (14% of total Clothing exports). Designers and brands together generate £2bn of exports (75% of all UK clothing exports.)

For the detail on the quantification of the designer sector, see Section 6

MAPPING OF CURRENT UK SUPPORT SCHEMES

- During the course of the study government policy about DTI business support schemes changed. *"The plethora of existing schemes will be replaced by a much reduced number of streamlined offerings."*
- There has been historically no shortage of support for the textile and clothing industry. A total of £87.8 million has been given since 1997.
- Most of this support starts by being generic (available to any industry).
- Some of the generic support is delivered through industry specialists. Other generic support has been adapted by organisations both private and public. The support is listed in Appendix 1.
- Our research showed that the recipients prefer access to support through industry knowledgeable people. Put another way it is not the scheme itself, but how it is delivered that makes it attractive to recipients.
- The mapping illustrated considerable disparity between regions in the provision of sector specific support. There are different approaches taken in different regions, which leads to considerable overlap and duplication. The same support can be independently originated in many regions (reinventing the wheel)

- The consultants are happy with the delivery of schemes locally but concerned about this duplication and overlap. The duplication also inhibits the implementation of a national policy for the support of designers, which has been advocated by the TCSG and is supported by the consultants.
- ***Because of the change in government policy, we are unable to make any recommendations about how government support should be delivered.***
- ***We can however restate and recommend that in our view support should be co-ordinated nationally through industry knowledgeable people and then delivered locally in a coherent form.***

SUPPORT FOR THE DESIGNER SECTOR

- Although many programs exist which the clothing industry can access, evidence from the study suggests that they are perceived as inaccessible, complex and muddled. The consultants believe that the schemes are muddled, but that the perception is even more so
- The recipients would like schemes to be administered by industry knowledgeable people. The consultants believe that this will improve the efficiency of delivery
- The present devolved approach provides much good support locally. However, it also leads to costly overlap and duplication. Nor does it address the different requirements of designers at different stages of their career development
- Local origination of support without coordination also inhibits any TCSG national strategy for designers from being implemented effectively. The consultants believe that this is important for the designer sector and the wider UK clothing industry.
- ***We recommend, that the best value for support to the designer sector and the UK clothing industry would be through centrally co-ordinated and regionally delivered schemes, administered by industry knowledgeable people.***

EDUCATION

Schools

- Careers in the 'broader' fashion industry are not explained or understood by school leavers.
- The industry as a whole is not portrayed as exciting apart from the 'designer glamour aspect'.
- ***Therefore we recommend that independent industry experts should be invited into schools to explain and market the clothing industry.***

Universities and Colleges

- The inherent creative abilities of UK trained designers are recognised as amongst the best in the world
- To the detriment of this creativity is the lack of skills training. The impact of weak skills training is that many designers cannot turn their concepts into realisable garments.
- The lack of skills training is further exacerbated by the drive to increase student numbers. ("The bums on seats syndrome")
- There are approximately 91 fashion design courses in the UK delivering in the region of 3000 graduates per annum. A considerable reduction in these numbers would still result in potential over supply.
- Budget constraints hinder technical instruction as space and technicians add cost. Moreover good technical instructors are attracted to higher paid industry jobs than the universities can compete with.
- ***We recommend that course validations should place more emphasis on industrial requirement and should involve industry experts.***
- ***We recommend that there should be encouragement /incentives for closer long-term industry /education partnerships.***
- ***We recommend that academic staff should undertake extended industry placements to keep up with changing practices.***

DESIGNERS

These comments reflect the significantly different needs of designers at different stages of their careers

- The majority of newly graduated designers lack the skills to 'go it alone'.
- Consequently, the need to secure long term business partners to mentor designers' development is seen as key.
- Many designers place too much emphasis on catwalk shows rather than selling product and building a business.
- Designers (obviously not all of them) are producing ranges out of sync with the selling cycle of the main industry players and consequently merely sell small volume 'window dressing'.
- The inability of many UK designers to produce and deliver collections to stores 'on time' is losing the interest of serious international buyers.
- Designers need to improve their capabilities in areas prioritised in order as, technical competence, understanding of the manufacturing process, marketing, and business finance.
- ***We recommend that they receive advice or mentoring to improve these business capabilities.***

UK MANUFACTURERS

Working with designers

- There is poor communication between designers and manufacturers, often unaware of one another's existence.
- There is a dichotomy between manufacturers who understand designer merchandise, and those to whom it is unimportant or unappreciated
- No effective national, centrally administered, regularly updated directory of manufacturers exists.
- Manufacturers have the opinion designers have little knowledge in processing /planning designs into production.
- Late ordering by designers and subsequent late deliveries of fabrics and trims cause production delays.
- Design complexity and short production runs also create planning problems.

- Manufacturers should be encouraged to understand the designer sector better, because it is a route to preserving UK manufacturing jobs
- ***We recommend that support be coordinated to develop better and more designer/manufacturer partnerships***

Manufacturers Structural Issues

- Manufacturers have difficulties in attracting skilled labour. Manufacturers working for designers generally have retained skilled labour better, because the jobs are interesting. However, training a new generation is proving difficult.
- Manufacturers are unwilling to invest in upgraded equipment and machinery in order to be competitive.
- Manufacturers need to become high quality producers to justify the cost of UK manufacturing.
- Manufacturers need to adopt, flexible, quick response methods of production.
- Manufacturers need to be able to produce short production runs of high quality garments.
- There are benefits in 'pooling' manufacturing resources and expertise at the designer quality level through regional manufacturing 'clusters'. This will allow manufacturers to work with a number of designers to achieve reasonable production runs
- ***We recommend that clusters are supported with practical advice and financial support***

RETAILERS

Working with designers as wholesalers

- There are relatively few independent speciality retailers to purchase designer merchandise in the UK, because of the domination in this country of retail chains.
- The designer wholesale season is out of sync with the serious retail buying cycle. This is not a UK phenomenon, but USA and continental brands appear better geared to earlier selling to match retail buying calendars
- Consequently, many major retailers buy UK designer collections as 'window dressing'.

- Buyers are wary of poor delivery record of UK designers and are reluctant to make serious commitments.
- ***We recommend that designers are given advice on retailers' business requirements***

Working with Designers as Consultants or Licensees.

- Designers have to prove their worth in the marketplace.
- Designers have to achieve a 'name' to become marketable.
- Designers need a unique handwriting to gain customer recognition, and to build their brand identity.
- ***We recommend that more emphasis be placed on designer links with retailers, particularly early in their careers***

4. Current UK Support Schemes

In November, during the course of this study, the Secretary of State, Patricia Hewitt made a policy statement about DTI business support schemes. It said that:-

> *"The system is being radically restructured as a result of feedback from key stakeholders, consulted on the role of the DTI and its delivery of Business Support as part of last year's DTI review.*
>
> *The old system of support was criticised for having too many schemes with overlapping objectives making it confusing for business. Standards of schemes varied across the regions and strategic objectives were often unclear.*
>
> *The plethora of existing schemes will be replaced by a much-reduced number of streamlined offerings based on strategically driven principles. All existing business schemes will close as they come to the end of existing legal and contractual obligations, with most ending over the next two years."*

Although the paragraphs above represent the new policy, inevitably there are many support schemes, which were created before the statement and are still current. Most of those funded by the DTI and delivered through Regional Development Agencies (RDAs), are generic in nature. A good example is the Small Firms Loan Guarantee scheme, which has been used by a significant number of clothing and textile businesses.

The Government's own figures for support received by the UK textiles and clothing industries since 1997 are that a total of £87.8 million has been given. The breakdown of its wide spread nature is given in the table below

SUPPORT	£ million
Capital investment	48.9
Export promotion, including SESA and outward missions	14.8
Research and development, including SMART, SPUR and TCS	4.4
Innovation support, including Faraday, EUREKA and e-SME	12.8
Retraining, including STAT	2.0

Regional support, Enterprise grants and RDA support 4.8

There is also support which is specific to the clothing industry, and some which is deliberately directed at the designer sector, of which one example is the DTI's s financial contribution to help young designers participate at LFW. Moreover there is support which is generic in nature, but has been adapted to the clothing industry by the deliverer of the support. The Trade Partners UK (TPUK), Support for Exhibition and Seminars Abroad (SESA) programme which provides subsidies for UK companies to exhibit at or attend overseas textile and clothing trade exhibitions and seminars. This scheme is delivered through trade associations such as UK Fashion Exports (UKFE). Both approaches to support are listed in Appendix 1, delivered through both public and private organisations. The listing, which cannot be guaranteed to be exhaustive, includes the agency through which the scheme has been delivered. Agencies can be RDA's themselves, trade associations both national and regional, and individual private organisations. Appendix 1 also contains the website addresses at which more information about the type of support available can be found

Those which are generic tend to be delivered through DTI agencies such as RDAs and Business Links. It is our view that it is the extent to which they are turned from generic to industry specific, and by whom this is done (i.e. industry knowledgeable people) which makes them attractive to recipients

Our findings are that support, which has been adapted to become specific to the clothing industry and the designer sector, tends to be practical in nature and delivered by private organisations with clothing industry knowledge. Put another way, it is not the scheme itself, but how it is being delivered that makes it attractive to the recipient. During the study, interviews took place with designers, manufactures, retailers, academics and the media. The consensus of the interviews was that the specific support was regarded as more valuable. The questionnaire responses showed that recipients like and use schemes which are simple in purpose, and which are straightforward to access. Examples of these are:

- **UKFE** (UK Fashion Exports), an independent trade association offering practical help to UK clothing exporters

- **Portobello Business Centre**, which amongst other services has a "start your own fashion business management course"
- **Nottingham Designer Forum**, which amongst other services has incubator workshops and equipment

The mapping illustrated that there is considerable disparity between regions in the provision of sector specific support. For instance London has a number of very specific schemes delivered through private agencies. Some regions, for example the East Midlands, have channelled its support through regional trade associations. The result of these individual and different approaches is that there is considerable overlap and duplication of the same scheme from region to region. Within regions there is also overlap and duplication. An example is that in London there are no fewer than four separate online directories attempting to link designers with manufacturers. This is in addition to the national designer/manufacturer handbook administered through Industry Forum, part of the BCIA.

The consultants are happy with the delivery of schemes locally, as this gets close to the "coal face" of designers and their manufacturing partners. It is the re-invention of the wheel in different regions, and the failure to roll out a good support scheme in other regions that is our concern about duplication and overlap. This approach to support innovation inhibits the implementation of a national policy for the support of designers. Such a national policy has been advocated by the TCSG and is supported by the consultants.

Because many of the schemes start from a generic base, it is difficult to assess the nature of gaps in provision. However the consultants believe that it is likely that, although enough schemes exist to satisfy most needs, accessibility and understanding of them by the designer sector is poor.

5. International Comparisons

One of the objectives of the project was to compare the provision of support in the UK, with that given by other countries, especially those in Europe. The consultants' efforts to find credible information from overseas Governments, trade associations and academia failed. Even private contacts failed to elicit enough information to compare what other countries are doing with the UK mapping exercise. If this activity is worth pursuing, and the consultants are sceptical about whether it is, the recommendation is that is has to be a completely separate project.

6. IMPACT OF THE DESIGNER SECTOR ON THE UK CLOTHING INDUSTRY

One of the aspects of the study was to estimate the value of designer sales, in order to assess their impact on the UK clothing industry. Designer sales are made in the UK, in export markets, and through licensing. Independent designer businesses 'turnovers are a mix of sales made

- direct to retailers/franchisees at wholesale (manufacturer) prices
- direct to the end consumer through their own shops at retail prices
- via licence deals for which they obtain a small % of total sales value, which itself could be either at wholesale or retail prices

In 1991, a survey of the UK Fashion Designer Industry was undertaken by Kurt Salmon Associates for the BFC. It concluded that, in 1990 UK designers 'total worldwide turnover was £75 million. Using the same methods, that figure is now estimated at £700 million, a compound growth of 22.5% per year. This is a tremendous achievement, as shown in the chart below

INDEPENDENT DESIGNERS	**1990**	**2001**	**Compound growth p.a.**
	£ m	**£ m**	**%**
Sold direct (wholesale and retail)	60	625	24.0
Licensed income	15	75	16.5
Total UK Designer income	75	700	22.5
Licensed income generated sales worldwide of product worth	125	600	
Therefore worldwide sales of product bearing an UK designer name is	185	1225	18.5

In order to arrive at this calculation, the consultants had to estimate

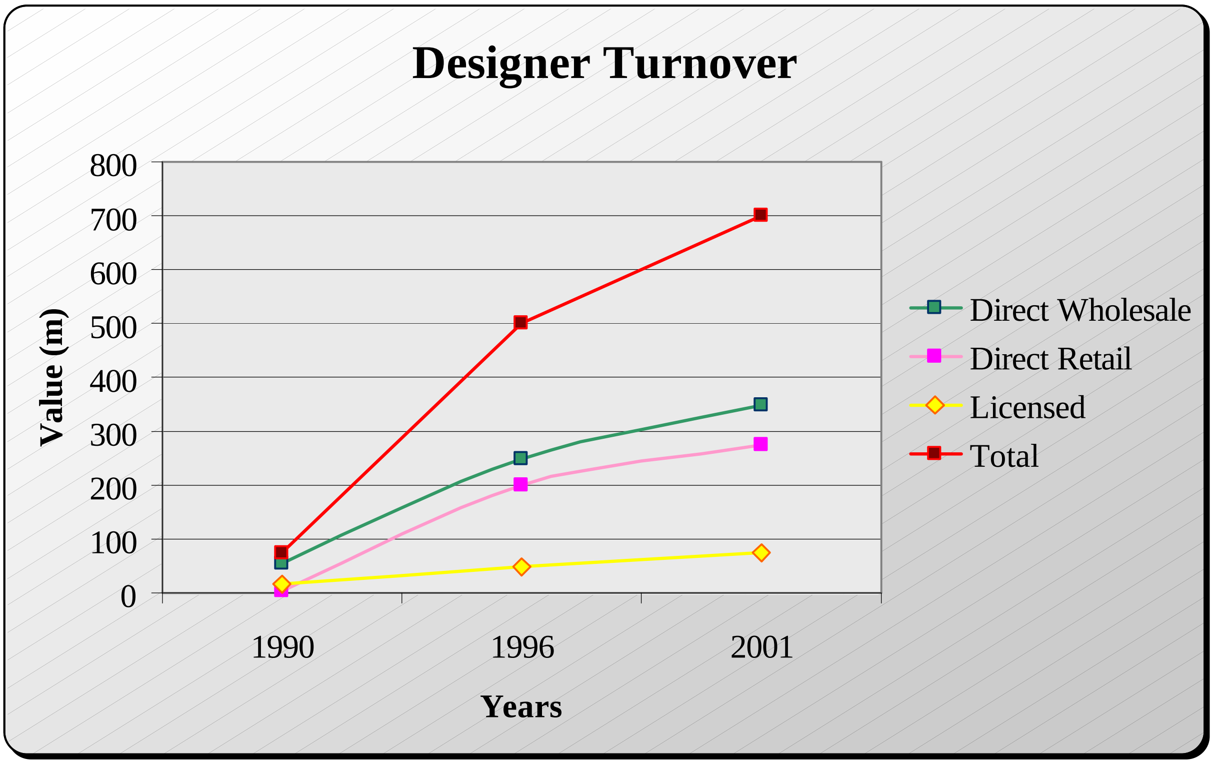
- wholesale and retail sales
- UK and export sales
- licensed income

A summary of these calculations for 2001 and 1990 is given in the chart below. The methods by which these calculations were made and correlated for consistency are explained in Appendix 3.

INDEPENDENT DESIGNERS		**2001**	
	£ m	**£ m**	**£ m**
	UK	**Export**	**Total**
Wholesale	180	170	350
Retail	55	220	275
Total direct sales	235	390	625
Licensed income		75	700
Product sales of licensing		600	
Worldwide sales of UK designer name	235	990	1225

INDEPENDENT DESIGNERS		**1990**	
	£ m	**£ m**	**£ m**
	UK	**Export**	**Total**
Wholesale	17	36	53
Retail	4	3	7
Total direct sales	21	39	60
Licensed income		15	75
Product sales of licensing		125	
Worldwide sales of UK designer name	21	164	185

In 1998 the DTI commissioned a report, which included an evaluation of the UK designer industry for 1996. It valued the UK designer industry at £600 million at manufacturers' (wholesale) prices and directly compared it to the £185 million in the 1991 KSA study. The consultants have re-calculated this on the same basis as 2001 and 1990 and derived a figure of around £500 million. The three representative years turnover performances are shown graphically on the next page.



Throughout the nineties, clothing inflation has been negligible and recently negative, as shown in Mintel Research "deflators index", which uses government statistics for clothing and footwear, with 1999 as 100

1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
99.8	100.1	100.9	101.4	101.6	100.9	101.7	101.4	100	98.5	97.4	96.6

This index shows that

- prices did not rise at all between 1992 and 1999
- prices fell by 3.4% between 1999 and 2002

This means that real growth is pretty much the same as money growth. Designer prices have almost certainly outstripped average clothing prices, i.e. risen. However, the significant increase in designer sales suggests that the designer industry, regardless of where the product is being made has easily outstripped the UK clothing market and generated big sales increases for UK plc.

The point about sales and where the product is made is important. UK designers' direct sales are made both in the UK and offshore. Licensed sales are almost certainly made offshore.

There are inferences that can be drawn from these sales estimates concerning the employment created in the UK by designers. It is likely that half of UK designer sales are produced in the UK. Only 20% of total UK clothing sales are produced in the UK. It is estimated that designer sales in total provide employment to around 6000 sewing machinists and another 2500 overhead/administration workers. This compares with the estimate made for 1990 of employment in the UK created by designers of 1200.Designer sector UK employment has grown by 19% per year whilst clothing industry employment has fallen. Designer created employment now accounts for 6% of the UK clothing workforce.

The value of the designer sector to the clothing industry and to the UK plc is perhaps best explained by its record in exports. First, for independent designer businesses

- Export sales at a mix of wholesale and retail prices are £390 million
- This is14% of all UK clothing export sales, a significant value from a small group pf people

But export success is not confined to designers managing their own businesses. Many work in UK classic and contemporary brands. Using this broader base of designers and brands together, the business income attributable to them is £3.9 billion. The export sales of the broader base of designers and brands is £2.0 billion (almost 75% of all UK clothing exports). Designers and brands are vital to the UK's international trade in clothing. The calculation for brands alone is in the chart below

BRANDS		**2001**	
	£ m	**£ m**	**£ m**
	UK	**Export**	**Total**
Wholesale	990	1110	2100
Retail	400	500	900
Total direct sales	1390	1610	3000
Licensed income		180	3180
Product sales of licensing		1800	
Worldwide sales of UK brands	1390	3410	4800

Although sales are not directly relatable to UK employment, it is worth restating that

- worldwide income of UK designers and brands is £3.9 billion
- worldwide exports of UK designers and brands are £2 billion
- worldwide sales of product bearing the name of UK designers is estimated at £1225 million. That of brands is estimated at £4800 million. Together, sales of merchandise bearing either a UK designer or UK brand name are around £6 billion

The objective set in the terms of reference for the study was to *"assess the impact of the UK designer industry on the wider textile and clothing industry".* There is no doubt that for the decade since 1990

- UK designer sales have risen world wide significantly
- UK designer sales have taken a larger share of the UK clothing market
- UK designers' creation of UK manufacturing employment has risen, whilst general clothing industry employment for product manufactured in the UK has fallen

It is worth noting that UK clothing designer names also "spin off" business into other creative industries, such as home textiles and porcelain. This is real business, although is may substitute the designer range for the classic brand (i.e. Jasper Conran for Wedgwood)

However, whilst designer businesses in clothing have definitely succeeded, classic brands have faltered, although there are no estimates for 1990 to compare with 2001. However, the combination of UK designers and brands have become a more important part of

- The UK clothing market
- The UK clothing export industry

The impact of both has been positive, and in an world industry where middle and lower priced product is being manufactured offshore, is an important route to safeguard UK manufacturing employment in the clothing industry

7. WHAT THE DESIGNERS SAID

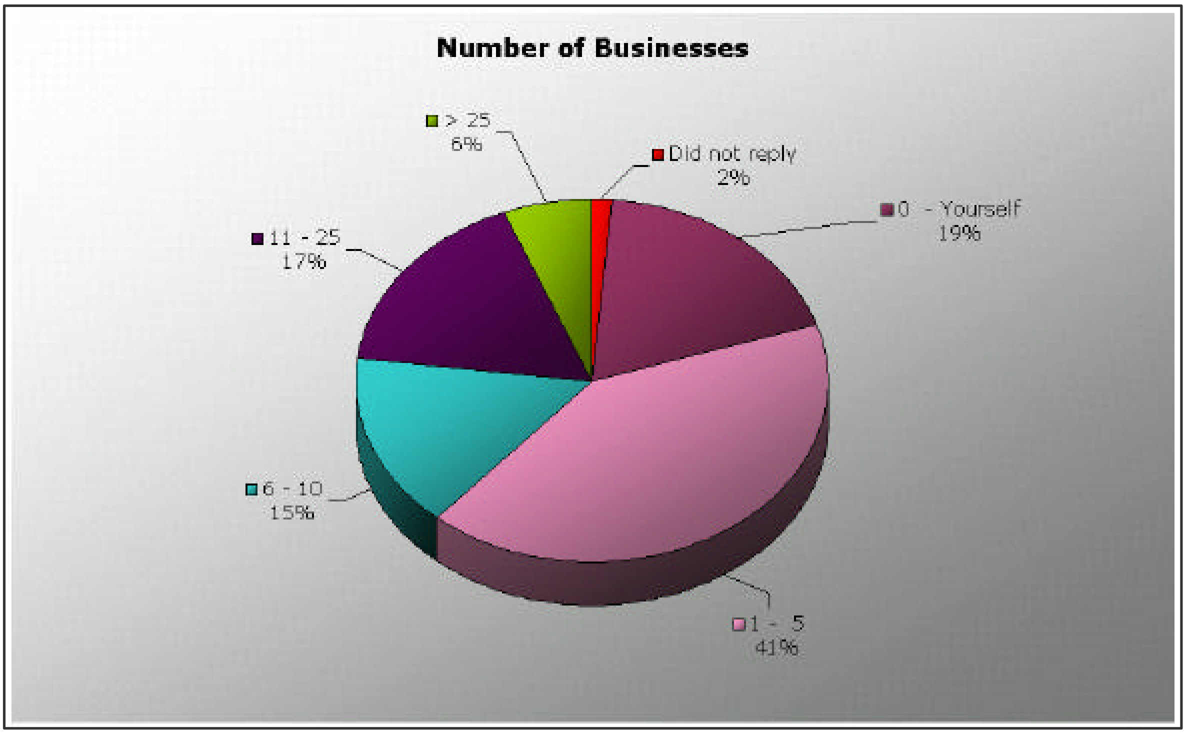
Questionnaires were sent to a large number of designers, from recent graduates to established internationally recognised names. The questionnaire itself can be found in Appendix 5. Detail and charts quantifying the responses are given in Appendix 6. The key findings from the designer responses were:

Product and Market Position

- 44% of designers were in womenswear, 40% in accessories and only 16% in menswear.
- 40% in accessories is vastly greater and out of line with the value of the accessory market, but possibly reflects the relative ease and cheapness of concentrating on accessory design.
- 59% of the designers believe they are established, 38% 'getting on' and only 3% emerging. (For the definitions of established, getting on and emerging see Appendix 5)
- The consultants' view is that the designers have an optimistic "rosy" view of their business position when reviewed against their business turnover, number of employees or indirect employment, and business reputation. If the consultants are correct, this has an important bearing on the nature of support that designers require and deserve i.e. more technical, manufacturing and finance skills training
- When asked about the level of the market for which they were designing, nearly 50% quoted Top End. Only 14% quoted middle or discounters.
- However, it is possible, because of the price points and volumes involved, that the 14% of respondents accounts for considerably more than 14% of merchandise sold.
- The last point is further strengthened by the success of diffusion ranges like Designers at Debenhams, Autograph at Marks and Spencer and New Look, to name but three.

Designer Employment

The chart below quantifies the number of people the designers employ.

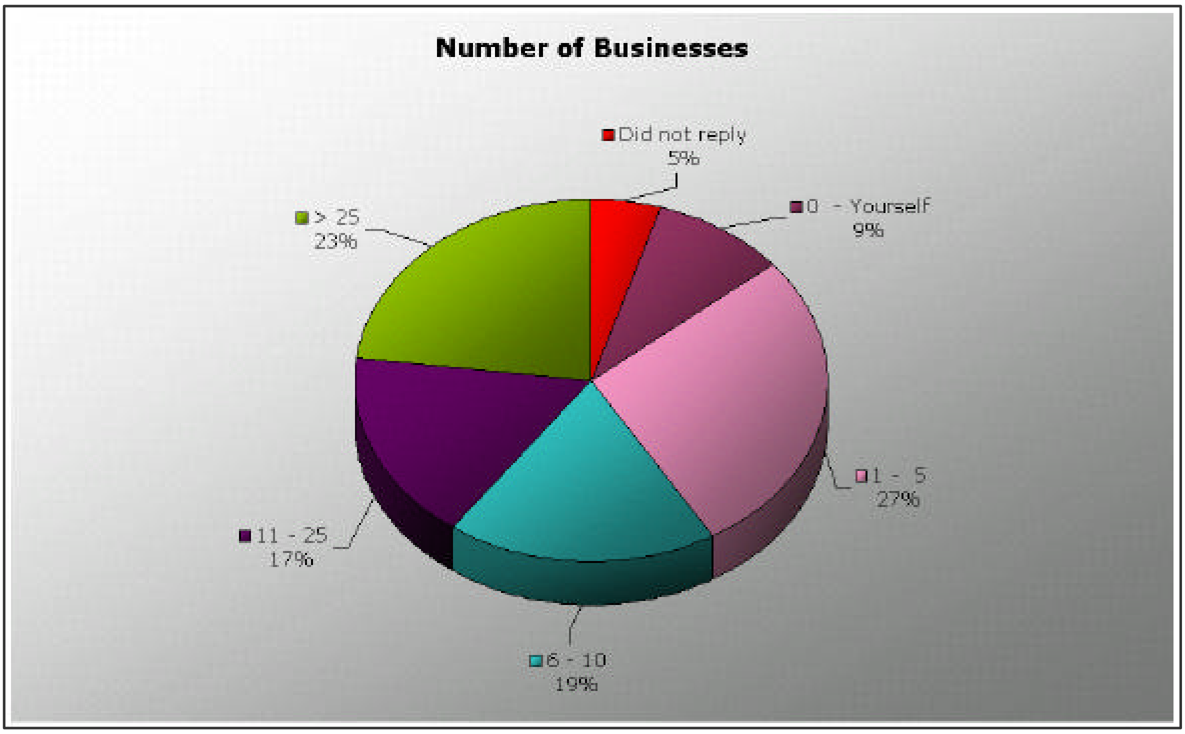


- An important part of the value of the designer sector within the clothing industry is how much employment it creates both directly and through sub-contractors and outworkers. The questions did not ask whether the employment was UK or offshore.

- 60% of the respondents employ 5 or fewer staff. Nearly 20% employ no staff. Only 6% employ 25 or more.

- If this is typical (and the consultants believe it is), then the policy set out in the London Development Authority's (LDA) October 2002 Creative Industries document of concentration on micro-businesses is correct, although the consultants have doubts about the numbers of people employed in London or given employment through the businesses of fashion designers. We think the numbers are optimistic, and may be not as high as in the report

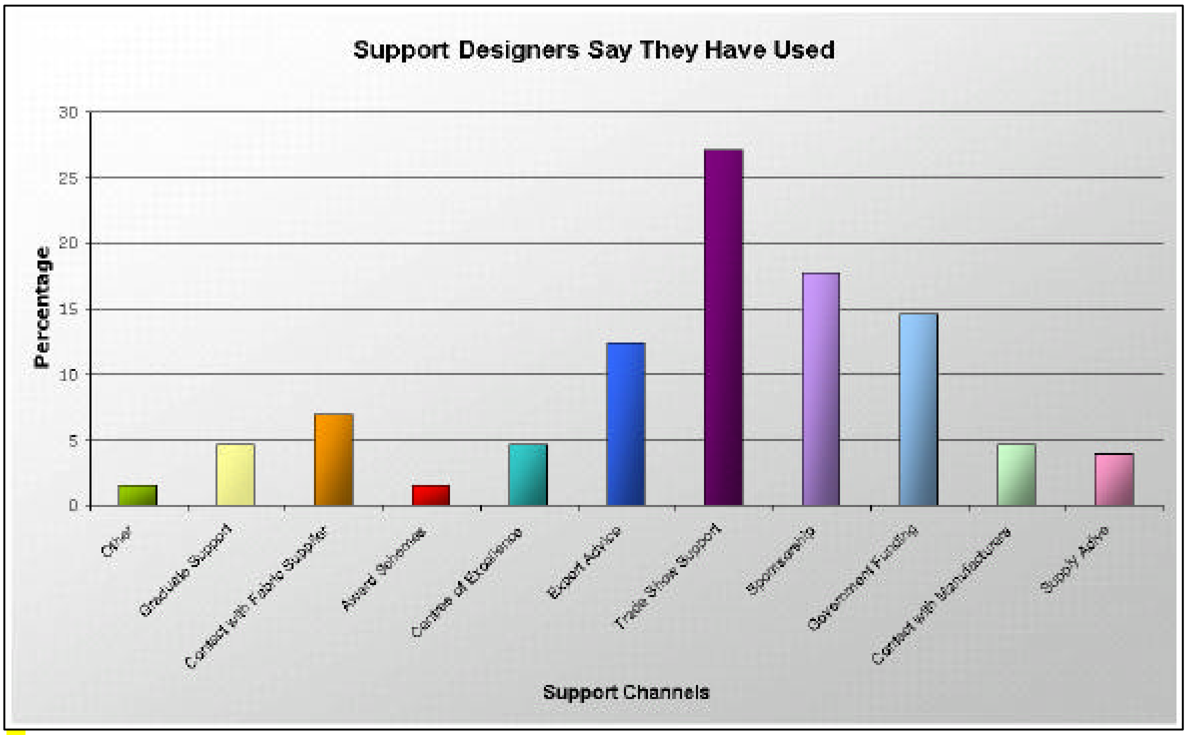
The chart below quantifies the number of people the designers give work to through indirect employment.



- Designers are more likely to create manufacturing or other employment opportunities through indirect than direct staff.
- 45% of the respondents said they had between 1 and 10 contract or outworkers working with them. 23% said they created work for more than 25.
- The lesson to be taken on board here is that designers can create work for the manufacturing sector locally, as long as it can adapt to designer quality and volume levels.
- In Section 6 above, on the quantification of the designer sector, we estimated that 6000 UK manufacturing jobs and another 2500 in administration are dependent on UK designers.

Help designers Say They Have Received

The chart below records the responses to the support that designers say they have used.



- Of a total of over 300 responses, the designers most frequently cited help received from areas which are easy-to-understand and are simple to access.

    - Trade show support tops the list with 27%
    - Trade show support and export advice together add up to 40%
    - In contrast, less than 5% had taken advantage of contact with manufacturers, and only 4% had received supply advice.

Designers were also asked about support that they would like to be available.

- Although trade show support was one of the top responses, only half the designers who have used it said that they had benefited from it.
- Conversely 11% would welcome easier access to manufacturers, but only 5% of designers have used schemes that help with this. The mismatch between the need for manufacturing directed support and its availability appears clear.

- In a free format manner designers were invited to say what they thought the government should be doing to help them. There were three areas most frequently quoted
- 30% asked for financial help (presumably money assistance) and advice for designer business.
- A similar 30% said that help with fabric sourcing and manufacturing partnerships would be high on their lists.
- The final question concerned what universities/ colleges and training providers should be doing for designers. The two most popular requests were technical training at 30% and business skills at 23%.

Our fundamental conclusions on support for designers from government and its agencies are that

- Export and trade show support has been proven to be accessible. These services should **continue to be delivered as they are now, by people knowledgeable in the clothing industry**.
- The less straightforward, such as **access to manufacturing partners needs a new approach**, **and managed co-ordination.**
- As well as access to manufacturing partners, there is a considerable practical problem with the availability to designers of fabric in small metrage
- The requirement for **technical training after college graduation** is very real.
- There is a genuine and pressing need for **the provision of management and business advice** at the emerging and getting on stage.

8. What the Retailers Said

A similar questionnaire was sent to a number of retailers of the type that either do or could sell designer merchandise. The questionnaire can be found as Appendix 7. Detail and charts quantifying the responses are given in appendix 8. The key findings from the retailer responses were:

- Whereas the designer product categories were strongly skewed towards womenswear and accessories the retailers demonstrated a more balanced mix of 35% womenswear, 34% accessories, and 31% menswear.
- Specific quotable responses to free format questions included
  - *"I would like to work with young UK designers, but there is a terrible fear of product failing to materialize"*
  - *"Manufacturing quality standards from UK designers are poor"*
  - *"The best start for a designer would be an apprenticeship with a retailer"*

- Retailers work with designers in different ways.
  - *37% bought designer ranges*
  - *Therefore, retailers do not just buy direct. 18% employ designers and another 18% operate designer concessions. 9% work with designers in-house but 18% either commission individual designs or work through design collaboration.*
- These findings on retailers ways of working suggest that more young UK designers should be encouraged to develop industry partnerships with retailers or manufacturers before setting up as an independent creator of collections.

Retailers answered a series of questions on how they rated UK designers on a series of criteria. They scored

- strongly on creativity, all ratings were either very good or good
- adequate on manufacturing performance
- average to poor on financial acumen

When retailers were asked about the type of training or support that would better equip designers to work with them, the retailers were strongly in favour of

- business management skills at 30%
- other retailer competitor awareness also at 30%
- specific customer (consumer) awareness at 20%

9. What the Manufacturers Said

A similar questionnaire was sent to a number of UK manufacturers of the type that either do or could manufacture designer merchandise. The questionnaire can be found as Appendix 9. Detail and charts quantifying the responses are given in appendix 10. The key findings from the manufacturer responses were:

- 48% of manufacturers work with womenswear designers, against only 28% and 24% working in accessories and menswear respectively.
- 33% of manufacturers make designers' samples, 29% convert their samples and 25% make individual designs. Only 13% make entire ranges.
- Very few manufacturers from our sample either employ designers as staff or on a contract basis.
- The absence of designer/manufacturer partnership weakens the commercial potential of the designer sector

The responses of the manufacturers to the questionnaire are consistent with other findings that support (which could be either financial help or subsidised advice) will be needed to create balanced designer/manufacturer partnerships in the UK.

In response to another question it is illuminating that not one manufacturer mentioned first contact either through universities and colleges, or at Graduate Fashion Week.

10. WHAT THE UNIVERSITIES/COLLEGES SAID

Eight colleges were interviewed by the study team. They are listed in Annexe C. The interviews with the colleges were unstructured, but a compellingly similar set of views emerged. These may be summarized as

- The universities/colleges are being forced to push through too many students, as a result of government education policy
- Consequently, the standard is falling, purely because of the number of students.
- The standard is also falling because the numbers prevent universities/colleges from delivering quality educational support
- It is also failing particularly in the provision of technical instruction because this is costly and requires equipment, time and space. The number of "bums on seats" prevents educational establishments doing that
- Universities/colleges are often accused of delivering graduate fashion students without either technical or business skills. In their defence, they would argue that they exist to provide students with an education and a learning experience. They are not there solely to train them in practical skills.
- Too much administration and paper work diminishes the time-spent teaching.

If the bullets above are correct (and the consultants believe they are) then the Universities and colleges are following curricula which are turning out designers lacking in the capabilities that the industry requires.

This evidence suggests that DTI should discuss the need for industry based training and technical skills provision with DfES.

11. WHAT THE SUPPORT AGENCIES SAID

Nineteen different support agencies were interviewed. They are listed in Annexe C. We continued, throughout the study, to discover "new" support schemes. These are described in the section on Mapping.

There is no doubt that the decentralised network encourages Regional Development Agencies, local delivery agencies (e.g. Business Links) and even more localized organizations (Enterprise Agencies, private support agencies and local councils) to "do their own thing". This is not necessarily bad, in fact the most practical support we have seen is coming from the private support agencies. But there were criticisms of central government (DTI) such as:

- No government policy towards the clothing industry and particularly the designer sector. The consultants believe that this is a perception rather than a reality (see the Mapping section). Nevertheless, if this is the perception, then there is a problem
- Conflicts of interest between regions and local support agencies, which are driven by funding rules.
- Poor co-ordination within regional and local areas.
- Money is duplicated within geographic areas, and best practice is not disseminated across the country.

It is easy to be critical about government and trade associations and many interviewees were. The difficulty that these organisations have is that the reported perceptions of clothing industry interviewees are that they do not understand what these organisations' remits are and why they act in the manner they do. As that perception appears to be the case, then if support schemes for designers and the clothing industry in general are to succeed it is imperative that they are marketed in a manner that means that recipients understand them. This conclusion needs to be taken in the context of recent ministerial statements about the number and complexity of DTI business support.

Recommended Delivery of Support

In many of the interviews with industry experts, the issue of general versus specific support and central versus devolved support was discussed. There was an overwhelming view, with which the consultants agree, that specific was better than general and that co-ordinated was better than devolved. Therefore, we recommend that

- Support should be co-ordinated centrally
- Support should be delivered both centrally and locally
- Support should be delivered by industry knowledgeable people.

12. CONCLUSIONS AND RECOMENDATIONS

BACKGROUND

This section of the report looks at the various elements of support for the designer sector by:

- Reviewing key issues raised through questionnaires and interviews.
- Drawing conclusions within the context of the study objectives
- Making recommendations based upon those conclusions

Consequently, before embarking on this it is worth re-stating the study objectives.

The study will contain four elements. Its aims and objectives are as follows:
Using an agreed definition of the "designer fashion industry", to carry out the following:

- *An investigation, producing quantified outputs, of the impact of the designer fashion industry on the wider UK textiles and clothing industry;*
- *An analysis of the business support needs of the designer fashion industry using both existing, published sources of material and new material obtained from interviews and surveys as appropriate;*
- *A mapping study of the major elements and sources of relevant generic and specific business support for UK fashion designers, from the public and private sectors, UK and European sources;*
- *A mapping study of current gaps in provision.*

The study will result in the preparation of a report to be presented to the DTI and the BFC. This will act as the basis for further collaborative work aimed at ensuring the future success of the UK fashion design sector.

QUANTIFICATION OF THE DESIGNER SECTOR

Key Economic Issues

- The performance and value to the UK economy of the designer sector of the clothing industry has to be looked at in the context of the clothing industry as a whole.

- The UK is a relatively high cost economy. Clothing manufacture is labour intensive. The supply of clothing is global, and will get more so as tariff and quota barriers decrease. **Mass market clothing manufacture will continue to gravitate to low labour cost countries.** The historic decline of UK clothing manufacturing over the last 30 years, the rise of imports, and the recent spate of closures of large manufacturing units bear this out
- The TCSG has recognised this, and correctly said that the niche selling proposition for the UK clothing industry lies in **creativity, design and high quality niche product manufacturing in a fast response fashion environment**
- In this context, the performance of the UK designer sector has been excellent, growing in terms of designers 'turnover from
  - 1990 £75 million
  - 1996 £500 million
  - 2001 £700 million

  This represents compound growth per annum of 22.5%
- As clothing inflation has been virtually zero, real growth is the same percentage
- Designer clothing sales that are produced in the UK, provide employment for 8500 people. This is 6% of the clothing industry workforce, and is quite out of proportion (greater) than the designer share of the market
- When classic brands and top end contemporary brands are added to the designer figures, they account for 14.1% of the UK retail clothing industry. These brands employ or use designers. The brands and independent designer labels also account for 75% of UK clothing exports worth £ 2.0 billion a year

Conclusions

- The designer sector has performed economically very well, in both the UK and export markets, in comparison with the UK clothing industry, and also with UK industry generally
- However, many designers have used support schemes, and the empirical evidence is that these must have been useful.
- The schemes (especially export support) must also have helped UK classic brands, as export sales of these have been growing

- For retailers to be encouraged to buy more British rather than international designers, this requires an environment where UK designers work commercially to the retailers' timetable

Recommendations

- ***We recommend that, for economic reasons support for UK designers should be maintained***
- ***We recommend that, to preserve employment in the UK, support for the manufacturers who produce for the designers should be increased***
- ***We recommend that UK designers are encouraged to work commercially to the retailers' timetable***

EDUCATION

Although teaching and education was not cited as a key requirement of the Designer Fashion Sector study, it became apparent that this is a major contributing factor to the future commercial success of UK fashion designers.

Schools

Key comments

- In discussions with individuals from the industry and education, some said that there were image problems faced in the clothing industry. Designer, retail and manufacturing opportunities should be addressed as early as school education and careers advice.
- Since the demise of needlework classes and craft skills, in teaching in the majority of schools little is known of the varied aspects of the clothing industry.
- The view exists that clothing/fashion industry opportunities are **not explained or clearly understood by pupils** and in many instances by the careers advisor.
- The industry is often painted with the press image of 'designer glamour'. Little is said of the other opportunities in associated disciplines where other skills are required, such as buying, merchandising, marketing and the technical disciplines (i.e. pattern cutting and sample making).
- No doubt it will be argued these services are addressed, however our sample research indicated this was not the case. From our interviews a key comment made the case that the technical aspects of the industry need to be portrayed as "sexy and exciting with good career opportunities".

Conclusions

- It is apparent that there appears a good deal of ignorance and probable lack of awareness of the opportunities that exist in the clothing industry. Careers advice focuses either on the university fashion designer courses, or at the other end of the scale on jobs as machinists on a production line.

Recommendations

- ***We recommend that all aspects of the clothing industry need to be marketed at schools and made attractive to the school leaver or student planning to go into further education. The consultants are aware of an initiative, the Clotex CD-ROM that is focused on promoting the clothing industry as a career opportunity to under 16s at school. The consultants propose that industry experts should carry out marketing initiatives through annual 'road shows' at secondary schools. The road show presentations should concentrate on the traditional clothing and textile regions.***
- ***For those regions that traditionally are not clothing and textile centres we recommend that clothing industry promotional videos should be made available to career teachers.***

UNIVERSITIES / COLLEGES

Whilst it is acknowledged that **British design graduates have unique creative abilities which are recognised internationally,** the same is not true of marketing, production and business knowledge.

Key Issues

- The industry-expert view is that the majority of Universities/Colleges are '**out of touch with the real world**' of the modern clothing industry.
- Education is placing too much emphasis on theory and design drawing, rather than teaching students to understand **the process** of three-dimensional design interpretation. This failing is primarily caused by the **lack of technical skills education**.
- There is a lack of funding for technical instruction, which requires dedicated technical instructors, space, equipment, and materials.

- A major issue may be described as **"too many bums on seats".** High student numbers are difficult to teach on 'a one to one' basis, especially for technical skills. At present we are advised of **91 fashion courses**, with the 92nd awaiting validation. Therefore we can assume annual graduate numbers to be in the region of 3000.
- **The standard of fashion course validation** and the selection of validators was challenged. So too was **the calibre of fashion design tutors** and teaching methods. A number of industry experts, (who have links to education) were concerned that the majority of tutors were **out of touch** with industrial practice and requirement. One commentator said, **"Fashion education needs tutors who know what is happening and not what has happened"**.
- Experts asked if it was the intention for courses to teach **'fashion as art' or 'fashion for an industry'**. Whilst **'maintaining creativity'** was seen as a key element of any future success, it was questioned as to how creativity was being applied by the student and directed by the tutor!
- **Close industry partnerships** with fashion design colleges were also cited as a crucial element to success. One relationship between a major UK manufacturer and a University Fashion course in the South East of the UK is considered a model and benchmark of how a successful course should be established and run. The manufacturer gains from a ready supply of design inspiration and the pick of the graduate designers. Experts from recruitment **claimed this relationship afforded some of the most employable graduates in the UK**, whilst one of our leading designers said that all but one of his design team originated from this institution and it remains his first port of call when recruiting new designers.

Conclusions

There is conclusive evidence that **gaps exist between what the clothing industry expects of design education and what education is actually delivering**. The question remains unanswered as to whether courses should teach "fashion as art", or "fashion for industry".

To support and underpin the commercial future of the UK designer fashion industry and the broader clothing industry, fashion design education should be focussed on delivering design graduates who understand the industry. This need

not be to the detriment of nurturing design creativity, nor the broader picture 'that an education affords.

Recommendations

- It is our considered opinion that there are **too many fashion design courses** at Universities/Colleges in the UK. We are in no position to suggest an optimum number of courses, but we recommend that an evaluation of jobs secured and retained in any year should be undertaken.
- Our recommendation is for Fashion Design courses of smaller numbers and based on our research, 25 students or less, if the teaching is to be effective.
- There should be more **specialised courses.** Examples repeatedly cited were technical skills training such as Creative Pattern Cutting, Merchandising and Buying.
- A **new set of criteria should be established for the validation and revalidation** of Fashion Design courses. The criteria should adhere to guidelines relating to industry practice, partnerships and work placements. (This does not just mean industry related design projects.)
- Many industry experts were critical of tutors being 'out of touch with the industry'. Although we are aware of the Teaching Company Scheme, there appears to be limited awareness and take-up'. We recommend that **academics should go back into industry on extended placements to gain experience of changing practices and requirements**.
- **Nurturing close industrial long-term partnerships should be encouraged**. (This proposal extends beyond the current practise of industrial design projects.)
- Key to the whole educational experience is the **student work placement**. It has been quoted as being "**a life changing experience**". Sadly, as student numbers grow and industry declines, placements are harder to secure. It is imperative that support and incentives are given to retailers and manufacturers to sustain and nurture this vital education.
- **The business acumen** of graduate designers was often criticised. Although business studies are taught in a number of institutions, there is a **requirement for consistent guidelines as to the depth of study and the format business studies take,** continually reviewed and updated to conform to changing market requirements.

The proposals listed amount to a **fundamental shift in current thinking and educational policy**. Nevertheless we see no alternative if fashion design education is to deliver a standard of graduate capable of making a contribution to the industry and building a **sustainable future** for their own careers.

DESIGNERS

In this section the consultants address key issues presented during the course of our interviews.

Key Issues

- **Access to funding** and to sources of financial support, through sponsors, business partnerships or larger companies who are prepared to act as stakeholders in a designer business, is a critical issue.
- **The ability of most design-trained individuals to plan, structure and manage a business is questionable**. Many examples indicate that the designer takes on this role with little understanding of management, production costing and planning. Even when partnerships are formed they are generally from design backgrounds. The study evidence indicates that, where the partner comes from a business background the potential for success is greater.
- **Access to fabric suppliers who would be prepared to sell small quantities of fabric.** This problem is recognised by the industry experts, who emphasised that fabric production costs greatly impede what they are able to do to support small design businesses.
- **Access to quality, small CMT (Cut, make and trim) garment manufacturers**, was seen by many as problematic. As with fabric supply, production minimums are an issue, as the small production runs attract high unit costs. This is exacerbated by the fact that designers, working towards seasonal shows, all want their production at the same time.
- **Late or Non-delivery of orders** was an issue raised by several major buyers. "Designers must understand the importance of delivering 'on time' as it affects the 'sell through' performance of their collection. If they deliver late, their product has a limited exposure, is subsequently 'marked down' and we don't buy again!"

- **Catwalk shows** and why designers prioritise them was a major issue of contention. Many experts believe that a proportion of the designers who show at London Fashion Week have the sole intention of **promoting themselves in order to be 'discovered'** or to attain employment with an overseas luxury goods brand; thereby not intending to sell nor produce their collections.
- Again many felt that it would be more important for the designer to channel these expensive costs into the **production of garments for sale in shops** that would generate revenue, for growth and expansion.
- This is a very contentious issue. The consultants believe that a balance has to be struck between
  - The need for designers to be "discovered"
  - The commercial success of LFW £3.5 million of orders were taken by new buyers specifically brought in with TPUK support, at the September 2002 show.
  - The value of business support to designers, other than LFW funding
- The perception of the **"pulling" power of LFW** as far as "serious" international buyers are concerned has been doubted by some commentators. The show still appears to "work". However, ***we recommend that BFC regularly look at the value of the show against promoting commercial business success***
- This point led to the activities of the press**,** which in many instances were seen as detrimental to the development of a design business rather than a benefit. The views expressed stated that the press promotion of an individual designer was seen as fleeting, transient and sometimes damaging. **The prospect encouraged the designer to design for press coverage rather than sales** and when he or she ran out of new sensations the press moved on to someone else. Although press coverage is to be welcomed, knowing how to use it and channel it to ones advantage is not that simple.
- The designers business ability to recognise and target their potential customers was also raised on numerous occasions

Conclusions

Notwithstanding the above, on a positive note it has to be **recognised that the total contribution of designer sales to the UK economy is estimated to have grown from £75 million in 1990 to £700 million in 2001.** In spite of this success, an objective of the report is to ascertain the strengths, weaknesses and gaps in supporting designer business to further its contribution to the UK economy.

- The **approach designers make to the 'seasonal fashion calendar' is where the first fundamental problem exists**. The six monthly Spring/Summer and Autumn/ Winter cycle are fast becoming out of sync with the International market. In the majority of cases the serious orders are placed months in advance of the biannual fashion weeks. In discussions with major store buyers, they openly admitted that by the time they attend the 'shows' the bulk of business is done and they are predominantly buying 'window dressing'.
- This conclusion raises the question of the whole cycle of fabric trade fairs, fabric buying, sampling, selling and the purpose of the catwalk show and the way in which the successful designer business of the future should function.
- The selection criteria for London Fashion Week requires review. There were overwhelming views that it contained too many inexperienced designers, not enough established designers, and hence did not attract enough serious buyers. ***We recommend that the balance between the catwalk and the exhibition be reviewed***
- Many experts have said that "it is not a viable proposition for a young and possibly inexperienced designer to embark on a catwalk show at London Fashion Week". Should the individual put themselves in potential financial jeopardy, without proper financial support and the business infrastructure to do so? Should the BFC support them in some other way? ***We recommend that the priorities are reviewed.***
- Many discussions centred around how designers can be helped to fire fight day to day issues, where to buy cloth, whom to make the samples, how to find enough money to make the samples etc. **Until the overriding structural issues of designer businesses and designers' training are resolved these problems will continue to face designers, and will hamper further growth in the sector**

Recommendations

During the course of the interviews many views were expressed as to how the UK Designer Fashion Sector should be supported. All groups had views. The consultants have assessed all of them. Acknowledging the intention **is to**

support the needs of the designer, the conclusions above drive our recommendations for support.

- ***Designer support should be ongoing, rather than just based around the twice a year show cycle.***
- ***Designer support should include business advice and mentoring in order to improve commercial acumen, as well as the more glamorous aspects.***
- ***Designer support should find a way of addressing the practical issues that the designers find problematic such as fabric sourcing and manufacturing partners.***
- ***UK designers should be encouraged to work commercially to the retailers' timetable.***
- ***Designer support needs to be easily accessible, delivered locally by industry knowledgeable people***
- ***For this to work, it also needs to be centrally co-ordinated. It was not part of the remit of the project to determine <u>how</u> this should be done. However, the existence of an industry strategic group (the TCSG), offers one potential approach***
- ***In view of so many weaknesses in all aspects of the designer fashion sector we do not propose the continuation of a broad spread of funding initiatives which help 'plug the gaps' in the challenges facing this sector, until the 'core issues' have been resolved.***
- ***Concerning London Fashion Week, the consultants recommend that the BFC regularly looks at the value of its investment in the show against promoting commercial business success; that the balance between the catwalk and the exhibition be reviewed; and that the priority of supporting young and possibly inexperienced designers to embark on a catwalk show at London Fashion Week be reviewed.***

UK MANUFACTURERS

Clothing manufacturing in the UK has been in steady decline for nearly 30 years, accelerating more recently with large retailers abandoning their UK supply base for cheaper producers overseas. This factor allied with a rapidly declining skill base across the country results in very limited sources for the designer manufacturer partnerships to be created. Nevertheless, some medium sized manufacturers and a varied array of small manufacturers exist.

During the study the subject of designer/manufacturer partnerships was frequently mentioned. They are central to the key issues.

Key Issues

- There is no **centrally administered, regularly updated, detailed,** directory of clothing manufacturers, which covers the whole of the UK. This is in spite of attempts such as the "Designer/Manufacturer Handbook".
- During the study small manufacturers, especially in the regions, asked where they might locate designers with whom to establish working relationships. In turn some of the designers asked the same question. **There appears to be a communication gap between the designer and manufacturer that is not being filled**.
- **One small manufacturer commented, "We cannot afford the time or the money to upgrade** our standards as we are fire fighting' each day to stay in business. We would need financial help to improve our quality to satisfy the designer market.
- **Lack of skilled workers and skills training** are the big problem. **There need to be more incentives** for people to consider working in clothing manufacture. Shortages of competent cutters, machinists and pressers, of any standard, were a major problem with everyone interviewed. One commentator summed the problem up saying, "How can we compete with the glamour of stacking supermarket shelves"?
- Conversely the view of designers held by manufacturers is also important. **"It would be great to work with designers** but they haven t got a clue how to process an idea!" was one of several comments made when the suggestion of designer partnerships was raised. This particularly applies to commercial activities such as planning, product development, timing and costing.

Conclusions

We have previously concluded the most feasible option for success is for designers to create partnerships with manufacturers. However, before this can be achieved there are many obstacles to be overcome on the part of the manufacturer as well as the designer!

There is little doubt willing manufacturing partners do exist across the UK. It is a question of ensuring they can produce to a quality to satisfy this particular marketplace and at a competitive price. **We then have to ensure that compatible relationships are formed and given sustained guidance in all areas of business by industry experts**.

- **To accommodate designer requirements** the working practices of smaller manufacturers would have to undergo major reform to accommodate the standards required for the 'top end' of the market.
- In the case of medium sized manufacturers (sewing operatives between 40 and 75) a possible solution might be to establish 'incubator units' or 'specialist units' catering for the needs of more than one designer. Through an expanded series of designer partnerships costs could be spread to minimise risk and increase longer term potential.
- For smaller manufacturers cooperation and 'clustering' would allow them to create groups that could work in partnership with the designer.
- We conclude that irrespective of designer alliances **the only way small to medium UK manufacturers can or will survive is for them to become high quality, specialist garment makers**. In many cases focussing and becoming expert primarily in one or two product categories.

Recommendations

Whichever way the subject is addressed it is apparent that a lot of work is required to restructure and re-skill UK manufacturing to accommodate designer fashion and create successful partnerships. It is our view that the venture holds considerable risk for all parties and would need substantial investment and expertise. Our main concern rests with expertise. There still remain the challenges of who would administer these partnerships, how they would be funded and what expertise is necessary to give guidance in

marketing the produce of these partnerships into the international marketplace.

- Manufacturers need help to adopt **flexible, quick response methods** of manufacture with the ability of satisfying small production run requirements.
- There should be incentives to attract the older and retired skilled workers back into the industry to act as **regional 'training mentors'.**
- To parallel this activity there should also be extensive **information technology training**.
- The idea of **grouping regional, small manufacturing clusters** and availing them of more advanced, **centralised** CAD, pattern making, marker making and garment cutting technology would prove beneficial.
- **'Manufacturing clusters'**, as in Italy, could benefit from the formation of **partnerships**, 'skill sharing' particular requirements of designer collections and distributing workloads at busy times among the various cluster members.
- There is a requirement for a **national register of manufacturers**, which is **updated annually** to detail their grading and in what area of the industry each specialises, such as leather, light sewing, tailoring etc. The register should also identify the types of finish produced by the manufacturer, i.e. 'only produce overlocked seams'.

UK RETAILERS

There are two main areas to consider in this section, 'the designer who wholesales' and 'the designer as a consultant partner to retail, either through licensing or design contracts'. **Both areas were addressed in our discussions.**

Key Issues

- The UK Designer Fashion Sector faces one major obstacle and that is the decline in UK independent retailers who are able to buy their product. One expert commented, "*Industry is so tied up with retail groups, there are few good small independent retailers left to sell or sustain a designer business*". It is true that our high streets are dominated by large retail chains and unlike France and Italy the decline in independent fashion retailing has accelerated as individuals have been driven from the market place through escalating rents and overheads.

- The designer sector must become more **professional in its approach** to problems including quality, price and '**on time delivery**'.

We questioned a range from large international 'Top end' stores, to UK multiples and smaller independent retailers. There views are below:-

Retailer views of the designer as an independent wholesaler

- *"Over and over again designers cited the same dozen or so retailers with whom they would like to do business in the UK. Considering the supply and demand equation those shops must be inundated with would be suppliers."*
- *"Buyers need to know that they are going to get the product they ordered, delivered on time and that it will sell".*
- *"Beyond the UK,* ***European buyers wouldn't buy UK designer wear****, as it is often un-commercial and poorly marketed and the end customer would often not know the designers name!"*
- *"There has been a continued deterioration in the wholesale industry, simply because* ***the logic of wholesale brands ceases to exist****, it is now an age of proactive partnerships".*

The quotes above again raise the whole issue of designers working together with their retail customer, supported by a corresponding manufacturing partnership. Partnerships through designer/manufacturer relationships selling into multiple/department store retailers are an expanding opportunity. They add to the bottom line of the manufacturers product, creates new areas of business and satisfies the current requirement for 'niche' segments within the volume retail format.

Conclusions

The large retailers have to be congratulated on their efforts at supporting the designers. Naturally, the effort is based on the ability to identify opportunities and making them profitable. The partnerships appear to be working for both parties, with examples of 'Designers at Debenhams', 'Autograph at Marks and Spencer' and the use of 'named' designers by retailers such as 'New Look'.

However, the consultants are also aware of the speed of "fast track" fashion retailers at bringing designer ideas to market in a modified and lower priced form. Designers working with retailers will have to break the mould of the two season per year, long lead time approach

Recommendations

Designers should be helped through expert advice to decide whether their future is in independent collections or retailer partnerships. The consultants believe that ,for most designers, their long term future lies with one of these approaches. Riding both horses is a risky option. To do this we recommend:

- Advice for the designer to ascertain **if his/her product has a market** and the potential size of that market.
- If there is a sustainable independent market, then the opportunity exists to work with manufacturing partners. It would have **'niche' or 'speciality' market status**, **which demands low volume production** as a 'designer wholesaler'.

If the route above is not feasible then we recommend that designers seek retail partnerships and that support be available for them to do so. This support could take the form of:-

- Initial collection expenditure
- Market research to find the best-suited retailers
- Business advice on how to work with retailers
- Help to access manufacturers that can make at the required quality and cost levels.

SUPPORT FOR THE DESIGNER SECTOR AND THE CLOTHING INDUSTRY

Key Issues

- The mapping study showed clearly that Government funded and other support programmes for the designer sector and the clothing industry do exist. Indeed there are many of them delivered by a wide range of support agencies.
- The overwhelming evidence from the questionnaires and the interviews is that the intended recipients find them inaccessible, complex and muddled. This

suggests that they are poorly marketed and do not reach the designers and manufacturers that they were intended for.

- During the course of the study, Government policy about DTI support schemes changed. *"The plethora of existing schemes will be replaced by a much reduced number of streamlined offerings."* The consultants believe that the Government's conclusions on this are fully reflected in the findings of this report.
- Only some of the agencies that administer the support are clothing industry knowledgeable. In the interviews and workshops, the designers, colleges and experts were very much of the opinion that specialist rather than generalist support, administered by industry knowledgeable people was the best recipe for success
- The measurability of results, rather than "outputs" was also an issue with many who took part in the study.
- The devolved approach to delivering support through the regions was seen as a two edged sword. It provided support locally, which was seen as good. It meant, however, that there was little in the way of national support ("not joined up" was a frequent comment). It also lead to regular examples of either overlap or duplication, both of which were seen as both costly and ineffective.

Conclusions

- The evidence concerning the **inaccessibility, and complexity of support is correct.**
- The conclusions from this study, are however that there is an important role supporting the UK fashion designer sector, both for **economic reasons, and because the small designer businesses will be gravely damaged without that support**
- Support should be concentrated **on business issues, where designers are weak,** not on creativity for which the UK is renowned
- Specifically, support for the designers themselves should be directed at **technical designer skills, production understanding and commerciality.**
- Commerciality, includes investment support for designers as well as advice. The three Ms still apply, namely
    - Manufacturing
    - Marketing
    - Money

- In order to provide viable manufacturing partnerships for the designers in the UK, a programme of **re-skilling small manufacturers** and converting them to responsive units capable of reacting to today's fashion retailing timetables is needed.
- The programmes require **central co-ordination by industry knowledgeable people.** They can, however, be **delivered locally**, as long as judgemental decisions are made to avoid overlap and duplication