

Seven questions TO TEST YOUR IDEA

Have you got a great retail concept but not sure how to take the next step? Retail guru Wendy Hallett advises on what to do – and what to avoid

Wendy Hallett MBE, 52, started Hallett Retail in 1999 after working for Topshop and the Arcadia Group for 13 years. Her company operates as the “middleperson” between small- and medium-sized brands looking to sell in larger retailers, such as Debenhams and House of Fraser. She now employs 650 people.

1 Has your idea got a point of difference?

The retail market is tough so your idea must be innovative – you can't think, “I want to start a shop and fill it with clothes that I love.” A good example of a new idea is Enclothed, an online service started by two women that sends a bespoke box of clothes every month to men too busy to browse the high street. Seek a gap in the market. Many mothers start up businesses because they discover something lacking in the baby market while on maternity leave; similarly, you might be an older woman and have a clever idea aimed

at your age group. Do your research and target that market.

2 Who is your target customer? Don't ask your friends about your idea – they may just tell you what you want to hear. When I started my company, I had a completely new concept for retail – we act as the “middleperson” between independent brands and larger retailers, and also sometimes provide staff for these concession areas if they're in a department store. I wanted a new way of working. I had an 18-month-old baby and a four-year-old, and wanted to be present as a mother – I'd lost my own mother to cancer when I was seven so it was important for me to be at home as much as possible.

3 What are your weak points?

Hire other people to cover those areas. Mine is finance, and there are plenty of women who are trained bookkeepers and keen to work part-time. If you don't have a financial background, hire someone to do this for you on a freelance basis. Accounting is an important area for a retail start-up.

4 Can you present a business plan that gives lenders confidence?

Test your business plan from all angles. You can seek help at gov.uk/write-business-plan. To find money, banks are still a good place to start – even if they don't give you a loan straight away, there's a wealth of knowledge in their small business departments. There are other organisations that are particularly keen to support women – the government-backed Start-up Loans scheme

(startuploans.co.uk) gives 38 per cent of its funding to women; or Angel CoFund (angelcofund.co.uk), a private investment company. Invest some of your own money too, to prove you are serious. I only started with £1,000 but I didn't need much money with my particular business model.

5 Do you have a mentor? This can be invaluable. Find the right person in an informal manner and let the relationship grow organically. Organisations such as Everywoman (everywoman.com),

the network for women, and award ceremonies, events and talks for the retail sector, can be good places to start. Don't be afraid of asking someone whose business you admire

if they will meet you for coffee. And remember: contacts breed new contacts.

6 Have you got an instant hit on your hands?

Great, but be aware that aiming too big too fast is the biggest mistake retail start-ups make. You need to get your foundations in place. I know of start-ups that have had fantastic PR, things have gone wild, and then they've disappointed customers because they can't deliver. Pace yourself – it's hard to win back disappointed customers.

7 How will you cope with failure?

One of the mistakes we made was investing in a significant amount of time and effort into developing a new portfolio of brands in a new area – only to discover that it wasn't what our retailers wanted. From then on we made sure to discuss what areas they might be interested in prior to doing the research and contacting the brands. As a start-up, setbacks can be a lonely experience so it can help rebuild your confidence if you're part of a networking group. **w&h**

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