

Fashion Designers as Entrepreneurs: Investigating the Perception and Challenges

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Abstract

This paper examines fashion entrepreneurship critically from a designer's perspective. The aim is to identify the different kinds of challenges that fashion designers face in their simultaneous roles as designers and entrepreneurs, along with the potential advantages of that position. The article aims to supplement existing research on micro-scale fashion design businesses that has focused primarily on the encountered challenges. A total of 30 entrepreneurial fashion designers were interviewed. Thematic analysis was used in order to identify patterns in the diverse experiences of the entrepreneurial designers, and to conceptualize them into concise themes and subcategories. Another purpose of the study is to bring a broader understanding of the designer's viewpoint, and thus it highlights also personal perspectives and motivations behind fashion entrepreneurship. The results show that entrepreneurial fashion designers have to have multilevel managerial skills to run their business. Besides another important factor for success is the creating of balance between the business and private life. This study identifies fashion companies as businesses where creativity is a successful combination of fashion creativity and entrepreneurial creativity. Furthermore, the study shows that the obstacle for business growth might be the designer's business orientation rather than the lack of investors. Therefore, it is crucial to recognize the different drivers behind the business, acknowledge the importance of intrinsic values (e.g. aesthetic and creative aspects), and allow them to shape the business.

Keywords: Distribution Center, Enterprise, SME, Challenges, Entrepreneurship

Introduction

Fashion design & technology is one of the very important subjects in a developing country like Bangladesh. In Bangladesh, we have 170 million people that means there is a niche market to create fashion brands which refers the fashion entrepreneurship. Over time, entrepreneur's role in the economy and their contribution to economic change in Bangladesh as well their creativity, innovation, entrepreneurship and managerial aspects changed (Lowe, 2006). Fashion designs for their part strive for innovation, differentiation and appeal. This is because the fashion business essentially a forward-thinking sector and one of the core characteristics of fashion brands in innovation which has been an essential aspect of fashion business for centuries (Dinnie, 2009). As we know Bangladesh is the 2nd largest readymade garments producer. But they are producing mostly for the international brand. Since the fashion design industry has started expanding the potential of skilled fashion Designer and entrepreneur increased. According to the necessity fashion design education got demand and introduced. Although there are many institutions providing fashion education in Bangladesh, the number of fashion entrepreneurs is not increasing in proportion to the number of fashion graduates. It can be observed that in Bangladesh, fashion entrepreneurship could not explore in a right way owing to the lack of effectiveness in Fashion Industry and insufficient entrepreneurship skill. Thus entrepreneurship in the field of fashion is a topic that has unfortunately not been targeted to flourish in Bangladesh. Bangladesh being the 2nd largest readymade garments manufacturer they could not develop any international brand as fashion entrepreneur. Founder and chief executive officer of Bangladesh Apparels Exchange (BAE) Mostafiz Uddin said the manufacturers that make clothes for the world's famous brands are yet to establish any global fashion brand originated from Bangladesh. Recently the Director of World Bank (2019) states that, due to the existing scarcity of fashion brands in Bangladesh, the country is unable to serve as a beneficiary in the international platform. There are many factors responsible for this, however, lack of entrepreneurial skill, external factors, ignorance about the opportunities, etc are highly noteworthy. This paper will explore some vital challenges faced by fashion entrepreneurs in context of Bangladesh.

Aspires and Intentions

The main aim of this article is to analyze the existing situation of Bangladeshi Fashion Industry while investigating the following aspects:

- To identify the major obstacles faced by fashion entrepreneurs in Bangladesh
- To categorize the types of challenges
- To analyze the perception of entrepreneurs for lagging behind in the global market
- To recognize the drivers behind successful business and role of intrinsic values
- To recommend constructive ways through which the government can support fashion entrepreneurs

Research Methodology

In order to carry out the present study, survey methods have been used, which includes usage of both primary and secondary data sources. For collecting the primary data, 30 fashion design entrepreneurs have been interviewed. On the other hand, secondary research contains book references, magazines, market analysis and online sources related to the topic. Thematic analysis

was used in order to identify patterns in the diverse experiences of the entrepreneurial designers, and to conceptualize them into concise themes and subcategories. The research is quasi-experimental one involving cross-sectional analysis base study. The entrepreneurs are interviewed to know their perception about entrepreneurship problem and opportunity in fashion industry. Different renowned fashion house and boutiques house are visited to interview the founder of these. Country famous fashion designers are also interviewed to know the challenges and opportunities of the fashion industry. The approach of the study was participatory.

Data gathering is crucial in research, as the data is meant to contribute to a better understanding of a theoretical framework (Tongc, 2007). It then becomes imperative that selecting the manner of obtaining data and from whom the data will be acquired be done with sound judgment, especially since no amount of analysis can make up for improperly collected data.

This paper focuses on how to go about selecting people willing to impart their knowledge and experiences with plants through the purposive sampling method of informant selection. Examples of studies that have used purposive sampling are given, including the type of population sampled, data gathering techniques, analyses done and key results. Concerns regarding the validity of this nonrandom technique and the reliability of an informant are also tackled in this paper. However, the use of the method is not adequately explained in most studies. The purposive sampling technique, also called judgment sampling, is the deliberate choice of an informant due to the qualities the informant possesses. It is a nonrandom technique that does not need underlying theories or a set number of informants

Literature Review

In the field of Fashion and technology, there exist innumerable challenges that an entrepreneur has to deal with. Hence a fashion designer entrepreneur has to face numerous obstacles and challenges while trying to establish a brand. Being the core of the initiative, he has to balance creativity and a hard fact managerial approach, considering all the industry related aspects. Many fashion entrepreneurs state about different sorts of problems and these challenges can mainly be differentiated into two types:

(1) Specific industry challenges and (2) personal challenges.

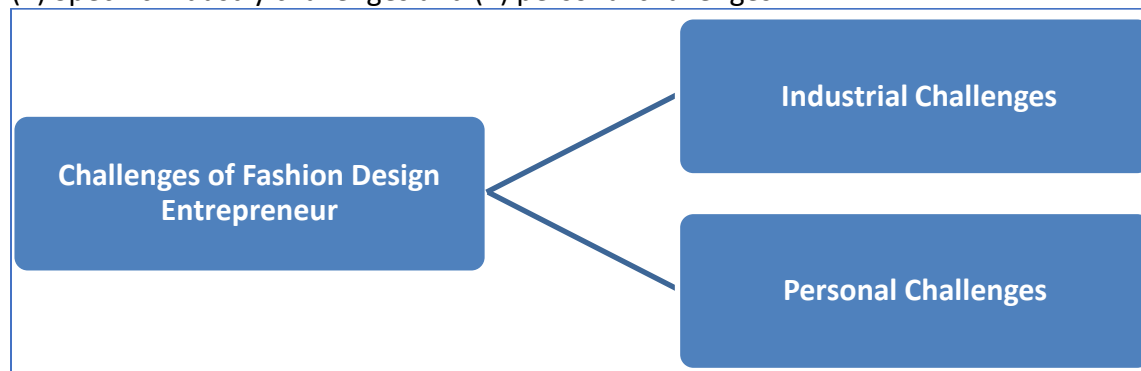


Figure 1: Challenges of Fashion Design Entrepreneur (Classification by Burke, 2008)

Industrial Challenges

According to Burke (2008), entrepreneurs don't operate in a vacuum; rather they work within a company, within an industry and at a specific market sector. Hence the fashion industry has certain structures, managing systems and processes, which lead to the characteristics of this sector, which sometimes have an impact on fashion entrepreneurs. The industry specific challenges are identified into six categories:

- a) Specific Industry Conditions
- b) Early Finance
- c) Fashion clusters
- d) Low entry barrier
- e) Industrial Economy

a) Specific Industry Conditions: The harsh truth is, fashion industry is not very welcoming to the new entrepreneurs. It demands a lot from fashion start-ups, as it is hard to overview the entire industry. The famous fashion designer Karl Lagerfeld termed that "Fashion is ephemeral, dangerous, exciting and unfair". In a like manner Stone (2008) in her book *The Dynamics of Fashion* compared the fashion industry with river, which is continuously flowing as the fashion industry is continuously evolving. The fashion industry is therefore an unpredictable and hypercompetitive market with short product life cycles. It is a subjective with the demand to be relevant in terms of the creativeness and innovation (Crewe and Beaverbrook, 1998). Many times, entrepreneurs shift their attention to commercial aspect from innovation and vice versa, which is termed by Mills (2011) as the "creativity business tension". This aspect is related to the segment the entrepreneur will operate in, some might be more concerned about remaining creatively relevant than achieving commercial goals. Therefore the balance of creative-business tension is seen to affect and challenge many fashion entrepreneurs in the market (Kurz, 2010).

b) Early Finance: One of the most significant issue which the fashion entrepreneurs are facing is getting finance for their start-up ventures. Early finance for fashion start-ups is very limited and mostly only available for companies in a mature stage. New ventures need an adequate amount of capital to survive. A huge number of businesses fail due to lack of enough finance backing the venture. Although in the fashion design industry it is relatively easy to start up in contrast to other industries, there exists innumerable barriers to succeed. As Burke (2008) reports, the barriers to entry depend mostly on the dimension of the venture, but for a small label it is possible to start initially with a sewing machine, compared to the clothing business where expensive machines are required (Burke, 2008). However for entrepreneurs, sources of external finance can be financial institutions, venture capital, business angels, grants, credit unions and friends and family. Generally the fashion designer entrepreneurs have difficulties in accessing financial support because the business concepts are usually thought of to be risky and speculative investments and the margins are comparatively low. Moreover, the value of a creative product is difficult to measure; also the success of a collection depends on a big part on the valuation and personal taste of the customers. Hence it is practically difficult to indicate the profit of a fashion business. It is exhausting for a fashion entrepreneur to predict the return on investment, which makes it less attractive to banks and investors. This is because investors invest only if they see a

large growth potential in a company. On the other hand, banks look at four criteria: firstly the entrepreneur as a person, secondly the collateral, thirdly the return on investment and lastly the certainty in terms of assets. The entrepreneur needs to convince the bank about the commercial success potential of the products, whereas in reality only a small amount of designers succeed in doing that (Hines & Bruce, 2007).

c) Fashion Clusters : As per the definition of Burke (2008), a fashion cluster is formed when a number of companies working in the fashion industry gather in close proximity and further form a critical mass providing work, pool of fashion industry innovations and a fruitful environment encouraging innovation, creativity and competition. This phenomenon also includes supporting industries and services, fashion designers, pattern makers, marketing agencies, publishing, retailers and education institutes that teach fashion skills. Bringing together fashion and technology sectors, the industry will experience a 'pull through' of innovations in digital manufacturing that will have wider applications in other sectors. The current disruption of markets by digital technology and changing patterns of trade signals the fact that it is high time for the fashion industry to come together, demonstrate its own structural issues and can bring forward innovative along with sound solutions for its own growth. Burke (2008) further opines that clusters encourage cooperation with other companies, by facilitating networking and enabling useful industry contacts. The businesses in the cluster can be regarded as extended companies that use the common location as a base for a relationship that ease work and offer a learning platform. It is a platform to interact and exchange. For fashion entrepreneurs these clusters provide a helpful and useful environment to begin a new venture. In this case, the cultural appealing cities, mostly metropolises, attract creative people (Denzin & Lincoln, 2011).

d) Low Entry Barrier: The low entry barriers of this industry allow for a highly competitive and risky environment for the entrepreneurs. In this context, Malem (2016) points out the difficulty of relying on a competitive advantage; mainly product innovation and differentiation are quickly imitated creating the need for quick innovation and adaptability for the designers. This hectic competition is exacerbated by the "winner take all environment" (Heslin, 2005) which characterizes the Fashion industry, where rapid growth and sudden exits happen continuously. If the entrepreneurs are unprepared in this case in respect of motivation, skills or competitiveness, then they have to face a hard time surviving in this wide and versatile fashion arena (Kollan& Parikh, 2005).

e) Industrial Economy: The industrial economy mainly depends on two factors namely seasonality and margin production

(i) Seasonality: It goes without saying that the Fashion industry is a seasonally intensive. Clothing is the expression of current customs, social context, culture, and lifestyle. Therefore, it is an industry subjected to constant evolution and change, translating in short garment life cycles, which challenges the fashion entrepreneur to acquire skills and resources needed to rapidly respond. As Jones (2005) states, Fashion apparel is developed for different seasons, special events and even sometimes for different times of the day. Modern high fashion designers are

working according to the traditionally fashion industry calendar, which is divided into two major seasons – spring/summer and autumn/winter. Hence managing the cash flow is especially a challenge in the fashion industry with its seasonal schedule. In the existing situation, establishing a sustainable company is hard since developing and producing a collection has to be pre-financed by the entrepreneur. A fashion designer gets the revenues back when selling the clothes but the next collection has to be started already in the meanwhile and designers have to pay for the production costs of the clothes. Thus, a critical overlap of costs can emerge for the entrepreneurs, because for a particular time duration, the costs are higher than the earnings (Miller, 1998).

(ii) Margins Production: Production margin is another challenging aspect in the production process, as stated by several experts in the fashion industry. It is seen that emerging fashion design ventures have often problems in finding an adequate production partner to produce their collections. Although initially it may be possible to produce in-house, at a certain stage of growth there will be the need to outsource. In this case designers need to be aware that outsourcing the production will involve higher cost, uncertainty and a higher risk. Besides, there are further difficulties for small fashion businesses. Due to the small quantities of clothing pieces they are at the back of the queue when it comes to manufacturing. As Jones (2005) states, more powerful and larger clients will be in the forefront.

Personal Challenges

An entrepreneur in the fashion industry can face several challenges in the process of growing a fashion design company. It can include factors like education, skills, network, finance, attitude, role and behavior, and so on. It has to be mentioned that the following is a general reflection and does obviously not apply for all fashion designers. In context of this research, the challenges can be differentiated in the following categories:

- a) Lack of Market Knowledge
- b) Set of skills Designer's role
- c) Business skills
- d) Individual Education: Specialist vs. generalist
- e) Personality: Behavior, Attitude
- f) Designer as the brand
- g) Small-scaled nature

a) Lack of Market Knowledge

At times, it is seen that fashion entrepreneurs lack adequate knowledge of the market. Besides, the consumer demand has to meet the product or service. Fashion designers don't lack creative talent when innovative pieces of clothing, but not all have what it takes to turn their passion into a profitable business. Though many fashion lines or brands already exist in the market, an entrepreneur needs to distinguish the existing brands which provide sense of a total package with high-rated quality, superiority, and excellence in their products. Market consciousness in this case is very significant in this regard.

b) Set of Skills Designer's Role

As an entrepreneur, a fashion designer needs to have a certain set of skills, which includes balancing between creativity and business, art and commerce. This seems to be one of the most challenging tasks to be capable to balance and manage the two different elements proportionately. Johnson (2008) cites in her article: "Fashion consists of both commerce and creation." Fashion design entrepreneurs have to be aware and in charge of all the different fields of the business:

- Research (market research, trend research, consumer behavior)
- Product development (aesthetically, qualitatively and technically)
- Sourcing
- Production
- Marketing
- Distribution
- Sales
- General management

However it is seen that mostly designer feel overburdened by the enormous number of different fields of activities. The director of a fashion incubator told from her experience within the incubator: "A lot of designers want to do all the different tasks by themselves but that makes it inefficient. When you are very small, you do not have to outsource yet, but if the business grows, eventually this is not possible anymore." Nevertheless a designer has the possibility to outsource certain fields of responsibility and perform certain tasks in the the pattern making process. In this way, a designer has to perform multi-tasking along with having control over everything (Lave & Wenger, 1991).

c) Business Skills

The research finding illustrates the lack of entrepreneurial and business skills as a main challenge for fashion designers in becoming an entrepreneur. Business skills which refer to the ability to manage the business side, usually vary from one individual to another. This particular skill gradually develops and increases by gaining experience. According to Collins (1998) designers generate a sense of tension between themselves and the business world. On the other hand, John Wilson, former chief executive of the British Fashion Council, believes that fashion institutions need to prepare their students more for the commercial world, he states: "I think we do have a problem that we produce wonderfully creative people who obviously want to go on and make their own collections and get out into the big wide world of fashion but really have got very little business strength behind them and very little finance". Hence by employing effective communication skills, sales skills, a deep focus and a high ability to learn, an entrepreneur can actually learn business strategy on the fly. In the process of structuring and growing a business, it's important that the structure and growth strategy is based on sound business sense and skills. A prosperous entrepreneur must have a solid strategy to drive their business from good towards great (Wilson, 2003).

d) Individual Education Specialist vs. Generalist

In the field of business industry and entrepreneurship literature, it is highly debatable of the fact whether students can be taught to be entrepreneurs or not. In this context Baker (1995) reports that those entrepreneurs who have experienced entrepreneurship in their education, tend to do better and their brands survive longer than their counterparts who lack academic education. Now the question rises how much is in the hands of the educational system, where does the responsibility of an education system start and where does it end? An important point made by a designer: "While studying we did not realize what would be essential later on when we would start a business." Often fashion entrepreneurs do not realize they need business skills until long after they have left their education and started own company.

As mentioned earlier, creativity and entrepreneurship are often seen as two different aspects, as a controversy. However, some experts think that creativity should be seen as free of entrepreneurial constraints. Jones (2008) suggests, "Cultural entrepreneurs need to develop a mix of creative and business skills, often at different stages of their career. Education institutions are often too flexible to deliver these skills as and when the entrepreneurs need them." In addition to this, Burke (2005) pointed out the importance of working experience: "The method of integrating design ideas into today's marketplace is something that is often only learned by years of experience within the field."

e) Personality, Behavior, Attitude

Along with having a positive attitude towards entrepreneurship, an entrepreneur should possess certain personality traits, which would reflect his behavior and attitude. In this context Schumpeter (1934) stated that a strong personality is needed as the entrepreneurs have to face opposition from different sources. It goes without saying that founding and managing a business requires hard work, persistency and the ability to cope with uncertainty. Therefore, any entrepreneurial process comprises good attitude and behavior as crucial components. The behavioral approach portrays an entrepreneur who exhibits proactive and opportunistic behavior through identifying and exploiting potential opportunities. Furthermore, an entrepreneur should be proactive, creative, tolerant to ambiguity, manage risk and have desire for independence and autonomy. On the whole, attitude of an entrepreneur such as the approach towards the concept and progress of a new venture is crucial for the development of a company. It influences the corporate culture, the spirit of enterprise and the self-motivation. Hence research shows, owing to the lack of behavioral traits, most fashion entrepreneurs suffer in the long run.

f) Designer as the brand

It is essential for a fashion designer to stand behind and represent the label. This refers to the linkage of founder and business, which implicates a close emotional connection. A director of a fashion incubator explained it like that: "It is not you and the business, you are the business." That means the founder and fashion designer of a small business is at the same time a spokesperson for the label. It is quite an interesting challenge to create not only a unique collection and good products but also to communicate the aesthetics of the products through

connecting the personality successfully with the collection. This is something critically important for a fashion designer to possess in order to run a sustainable business (Lee, 2005).

g) Small-scaled nature

It is seen that the small-scaled nature of the business becomes a challenge for an entrepreneur. If a young and small company is not yet well established on the market, the founder is confronted with obstacles such as the dependence on specific customers and the negative economic effect in the production process, which has been already examined in the industry specific challenges (O'Connor, 1998). This being a significant aspect, can have an effect on the growth of a company. In addition, if a business founder does not think big but rather in a small-scale, then the focus does naturally not lay on further growth. McRobbie (1998) argued that in the fashion design industry, economic issues are subordinated to creative and cultural aspects. Most of the designers prioritize the creative over the financial outcome. A person in charge of a fashion initiative reported in a survey from her experience: "Creative people are less risky, they do not like to take a credit and rather start their business small-sized." According to Saviolo (2005), some companies prefer to stay small, probably because the fashion entrepreneurs are afraid to burden themselves too much and they are afraid of the fashion industry as an uncertain, fast-paced and unpredictable sector.

End notes

The study is focusing on the issues and challenges of entrepreneurship in the fashion industry. Due to the lack of skilled entrepreneur, we cannot promote our fashion industry in the international platform by our own brand name although most of the world-renowned brands are selling the product which is produced in our country. It is difficult to be a designer nowadays simply because there are so many brands existing and competing out there. The industry is crowded and consequently, it's getting harder to sell and make our mark. Fashion has become more commercial than ever before and it is saturated with pre-existing designers and brands. The budget to manage a fashion business has increased as fashion markets have grown exponentially, and it is becoming more difficult for new brands and emerging designers to survive in the current fashion market. On the other hand, Fashion ought to be about expression and narrative, not judgment. To reach our fashion industry in the international market in our local brand name, the government should emphasize on the factors which influenced the skill of an entrepreneur. So, the entrepreneur of this industry must have strong business sense and good communication skill. The entrepreneurs should present their unique and quality product in the international platform. They should update themselves with modern technology which is very useful to produce attractive and unique products. The government should provide mortgage free and low-interest loan to the entrepreneur who is trying to reach to the international fashion market through his local brand. By following these strategies, we can produce skilled entrepreneurs who will solve the problems of our fashion industry and take our fashion industry in the international market through the local brand or fashion house name.

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