



Down with Costs Up with Profits

By Diane Woodall

In the world of business there are two ways to increase your profits...make more sales or decrease your costs. (Yeah, you could raise your prices too, but we won't go there). For those of us who sell our beads increasing our sales is always our primary goal, but we can't control the market. Prices have come down in the past two years and many beadmakers, both full-time and part-timers are forced to become creative in order to keep their profit margins from sliding into oblivion. While working tirelessly to find new and innovative ways to attract new business, we can also approach the problem from another front and learn to cut our costs. No whining please. This is for your own good.

Glass artists love glass. Let me rephrase that: GLASS ARTISTS LOVE GLASS!!! They love it so much that they have to have every new color, every odd-lot (even the butt ugly ones) every frit blend, tool, gadget, thingamabob and widget to come along. They can't sleep unless they get their hands on the new \$100 a pound silver glass that requires a degree in mechanical engineering to strike and if there was a support group called "Fritaholics" it would be standing room only. In a nutshell, glass artists love glass so much that they lose their capacity for rational thought when they are in close contact with it and would sell grandma's jewels to buy more of the colorful and addictive stuff. But I'm here to help...and I'm going to do it with tough love.

The following tips are common sense suggestions that apply to anyone who makes beads, whether you sell them or not:

Control yourself. Aside from the initial investment in your studio, glass will always be your biggest expense. It's easy to spend hundreds of dollars on glass only to find a year later that much of it is still sitting in your studio unused. First rule of thumb is **never, ever** buy more than a quarter pound of any new color until you try it to see if you like it. Some companies like our great sponsor Moretti and More, www.morettiandmore.com even sell glass by the rod. You can always buy more later, but it's much harder to get rid of glass you don't like. This applies to frit as well. Buy the sample packs if you can and then go back and get the larger sizes of the ones you love. The HSGB holds several frit sales a year and that is a great time to try a variety of frits without breaking the bank.

Watch those shorts! When you get down to the last few inches of a rod it's easy to toss it aside into your "shorts" drawer and forget about it. That waste really adds up. Once every few weeks take some time to gather your shorts together and, using my favorite method, use two shorts of the same color, melt together until you have a gather and pull until you have a thick stringer (2-3mm) about six to eight inches long. Melt it in the middle and you now have two nice handles that you can hold onto so that you can use that otherwise useless short right up to the last inch or so of the handle. Heck, I use my hot bead to pick up the little bit of stringer and melt it in too. You can get a couple of extra beads out of each rod that way.

Clear to the core. A little trick I learned from Michael Barley is to start your larger beads with a core of clear. If you use Moretti, clear is the cheapest color and by making the core in clear and then wrapping a skin around it you can make your expensive glass go a long way. Nobody ever sees the inside layers, so it's a great way to use that scummy Moretti you have laying around collecting dust. Buy your clear Moretti several pounds at a time to save on shipping and to get the best price and you'll be amazed at how much farther your other colors will go simply by using a clear core on your beads. Also, if you are making a bead with an expensive glass use the thinnest rod you can to case your clear core. This will also save on glass because your outer layer will be as thin as possible. Better yet, case with stringer and you'll use the smallest amount of glass.

Be a stripper. OK, I've got you wondering about this one haven't I? Stained glass strips of course! You can buy stained glass and cut your own strips for a lot less than rods if you shop wisely. Hobby Lobby carries Spectrum stained glass sheets for about \$5 for most colors. (The sheets wrapped in plastic aren't Spectrum so avoid them). Hobby Lobby even has occasional sales where you can buy stained glass at a discount. Just get an inexpensive glass-cutter and a pair of running pliers and cut your own thin strips to use to make beads. It's so easy and quick and you can even cut the strips as you need them, keeping the unused glass stacked against the wall. Spectrum stained glass is 96COE, so it's ideal to use with frit. As long as you know the manufacturer and the COE stained glass can be used just like rods for making beads. One little word of advice: because you will be cutting the edges they are very sharp, so handle with care.

Mix it up. This is one of those tips that truly is based on personal opinion, but it's free advice so it's worth what you're paying for it. Bead release can be very expensive and over time can add up to a lot of money. When I first began making beads six years ago I learned about a bead release you buy in powder form called Alice's Bead Release. <http://www.alicesstainedglass.com/release.htm> I am still using the same five pounds I bought six years ago, and although the price has gone up since then it is still only \$42.94 for five pounds of powder. You mix it yourself and it only takes a thin coating. We all have our favorite bead release, but consider using Alice's if you are looking for a way to cut your costs.

Share and beware. We all have those tools we can't live without, but if there is a press or other expensive tool you will use only occasionally, why not borrow it from the HSGB library or trade tools with a friend? A tool that sits on your table 90% of the time simply isn't a good investment. Especially where presses are involved, you should always check with other people to see how they like theirs before buying one for yourself.

Member-to-member sales. Once or twice a year the HSGB has a member-to-member sale where you can bring those things in your studio you want to sell. It's a great way to find new homes for your not-so-favorite items and pick up some neat new stuff from other members. We also have a "garage sale" on our MeetUp site where you can offer items for sale or trade. And if you are the type of person who enjoys organizing things you can get a group to go in together to purchase glass in volume for the best discount.

Go sale-ing. OK, this one is so elementary I almost didn't include it, but some of you are so new to this that you may not know that many of the glass vendors have sales. Keep a list of things you need and wait for the sales. Get on as many mailing lists as you can so you will be notified ahead of time when a sale is coming up. Many times the sale prices are so good it really does pay to save up and buy as much of your glass as you can at the sale price.

The following suggestions are for those of you who sell your beads.

Wrapping to win. Everything you put in the mail to your customers costs money. Finding that perfect balance between economy and style is something with which many beadmakers struggle. I ship my beads wrapped in tissue paper inside a small cotton-lined jewelry box I buy from Nile International. If the box is small I wrap a gold elastic ribbon around it (bought for pennies from Nile) and if it's larger I tie it with a length of six-inch wide tulle (bought at Hobby Lobby in 6" x 100 yard rolls). Both the elastic and tulle bows hold the box closed during shipping and give the package the appearance of being gift wrapped, yet my cost is just pennies. And the bows add very little weight. I use the smallest boxes I can safely fit my beads into, allowing for a layer of bubble wrap on top of the beads, and then I place the box into a poly bubble mailer (I get mine from a seller on eBay...username threerb) and off it goes. By using the smallest box and the smallest poly mailer you keep the weight of your package as light as possible and thus save on shipping. The poly mailers are considerably lighter than the kraft paper ones and are just as safe. Just keep in mind that when your customer receives your beads the packaging is going to leave an impression with them. Make it a good one. Don't sacrifice safety for cost, but do be aware that every additional ounce costs you seventeen cents, and that can add up to a lot of money at the end of the year.

Consider lowering your shipping fees. Yes, you read that right. Lower your fees and see if your sales don't go up. If you are charging Priority shipping of over \$5.00 you may be losing business because buyers

simply don't want to pay such high shipping costs. Consider switching to First Class and charging \$2.50 – \$3.00 regardless of how many beads your customers buy. In most cases you will be able to cover not only the cost of your shipping but your mailer and box as well, and by allowing your customers to buy as many beads as they want with just \$2.50 - \$3.00 for shipping, you may be surprised at how many more beads you sell. Even better, by increasing your prices a bit you can even consider free shipping. That is a real motivation to many customers. Janet Robinson actually offers free shipping on her shards and that is also a way to motivate people to buy from you. You can factor the shipping into the price of your items and your customers will love the free service.

Make smaller sets. We all enjoy looking at big, beautiful sets of lampwork beads, but you will make more per bead the smaller you make the set. According to recent surveys of jewelry designers most designers prefer odd numbered sets (3, 5 or 7). Consider including a matched pair in the set so the buyer can make earrings if they wish. It's hard to break up those large sets, but if making sales is your goal, smaller is better. Earring pairs are hot sellers, so consider selling them separately.

Keep good records! Every single purchase you make for your bead business is a deduction you can take at tax time. I never pay cash for anything related to my business because at the end of the year I have my cancelled checks and credit card statements as a back-up record for my purchases. Even at the gem and jewelry show, use checks or your credit card. It's too easy to lose those little receipts, and at the end of the year every deduction you miss out on is money out of your pocket.

Diversify. If you have a website, an eBay or Etsy store or participate in live shows, think about selling other things in addition to beads (findings, chains, etc.) Pick a few findings or accessories that go with lampwork and add those to your inventory. You may not make a lot on those items, but it will draw more people to your site or your jewelry booth and will indirectly bring you customers who may not have found you any other way. Janet Robinson began selling shards in addition to lampwork beads and now has a thriving business selling just her shards. You can see her store at: http://www.etsy.com/shop.php?user_id=5514404

Network. This is absolutely free and just takes a little of your time. Join forums like Lampwork Etc. at <http://www.lampworketc.com/> and Starving Jewelry Artists at www.starvingjewelryartists.com and stay active in the forums. Make sure you put a link to all of the sites where you sell your beads in your signature line so people can go and see what you have to sell. Network like crazy and spend a little time every day getting your name out there. Every single time a link to you appears on the Internet it is an opportunity for a sale. If you don't have a web site consider getting one. Visibility is key and with a website you can attract buyers from all over the world. No place is too remote as long as you have the Internet.

In closing let me just say that making beads to sell can be the most enjoyable job in the world, but don't let your profits slip away because you get so caught up in spending money that you forget the goal is to make money. Allow yourself to have fun, but run your business like a business and you may find that simply focusing on cutting costs you may start seeing black instead of red.