

Caprice: *by design*

Having made the transition from model to businesswoman, **Caprice Bourret** now finances, designs, models and markets her own lingerie brand. But it hasn't been plain sailing, as she reveals

WORDS ANN WALLACE

You originally started a lingerie range through a licensed deal with Debenhams, how did it all work? It was a straightforward licence deal in which I gave my name to a lingerie range that they sold. Every week I'd get the sales figures and I started to see how rich I was making them. I wanted to be that rich, so I explored the possibility of buying back the licence and starting up on my own, which is exactly what I did in 2006 with my By Caprice range.

Did you have any business experience? I learned a lot from Debenhams. They helped me understand margins, the technical side, brand development and design. And more than anything, Debenhams helped me find my target market. Half the battle in building a brand is to know who you are selling to. Through working with them for a number of seasons, I found out exactly what my customers liked, and who they are.

Did you have anyone to help you when you started out?

Nobody. And if I had the chance to start again, I would have hired really great people with experience in the underwear industry straight off. I can't tell you how much difference it made to my business when I finally did build a great team of people around me. Even if it means paying a bit more to get someone experienced, it's worth doing.

I was very naive at the start and kind of jumped in at the deep end, especially in terms of the finances. I mean, I made some

serious mistakes with cash flow. Luckily I had a lot of liquidity from my modelling days to fall back on when I messed up, because that cost me a lot of money! The important thing is that if you do make mistakes, make sure you never repeat them. One major mistake I made was to design what Caprice likes and not what Caprice's customers like. It was my ego and it was stupidity, because the sell-through wasn't that good. I also allowed somebody else to design the fit of my range and they were negligent. It wasn't their fault, it was mine. I should have done the job myself. I had a big client back out because the fit was bad, but so that was a lot of money down the tubes. But it was my own fault.

Did you borrow any money to get the company off the ground?

The only time I borrowed money from the bank was when I had a jiback-to-back. I buy the products and I don't get paid by my client for 60-90 days after. At one point I had to pay out £1.5m for stock and it hurts the cash flow when you're drawing on that kind of money. So I borrowed from the bank, got paid by my client and paid back the bank immediately.

I was very naive at the start and jumped in at the deep end, especially in terms of finances. I made some serious mistakes with cash flow

How did you create awareness of the brand?

My name is one major advantage. I had to pay for a publicist but apart from that I had a free market and I took advantage. But you have to have a good product, otherwise forget it. You'll be in and out within a year.

It was a steep learning curve for you...

Definitely. The launch of the range was quite extensive and then it made a bit of a dip because I made my mistakes with design. I came back with a vengeance, but then got hit with the recession like everyone else. It was pretty scary.

How did the recession affect you?

The exchange rate was a big hit. I didn't do any forward buying or any hedging – I buy in dollars and primarily get paid in sterling. It was a massive, massive loss – around £1.4m. Then everyone started halving their orders and so I had a lot of extra stock. Retailers wanted more discounts and much longer payment terms: I took a major hit.

What did you change in order to save the business?

I re-jigged everything. Moving forward, I learnt to buy currency more effectively. I also started being safer with the amount of stock I purchased and I cut business expenses in half – posting things instead of sending people out in cars to deliver – that all adds up. I also upped the ante with my product which involved cutting my margins in half. I negotiated a lot harder on my future stock, went to different factories to get better cost prices and better quality

and also cut out the middleman company that previously facilitated all my orders, and put that extra margin back into the product. And here we are today.

Was there a time when you thought the company would go down?

Yes, quite a few times. I was preparing in my head to lose it all. But I'm a fighter. I'm my mom's child. I get back up. You're gonna have to kill me before I go down. So, yeah, I'm definitely a survivor.

Has it substantially changed the way you work?

Oh my goodness, yes! And thank God, because we're starting to make money, real money, again. The business is efficient now. And I've got the most incredible team working with me, which is why I think we have a success story.

Do you plan to grow the business or are you going to keep it in a holding pattern for the time being?

No chance! I'm going everywhere now. I'm more than ready to expand. We've done a big push in Ireland because I've got a TV show out there. It's a very small territory but it's got lots of potential. America is next on my agenda, and I want to get into Germany in a big, big way.

What advice would you give to anyone thinking of starting a fashion business?

I believe if anyone has a dream they should go for it, but they have to realise it doesn't come easy, especially today. Before you do anything, learn everything you can about the business, absolutely everything, and don't get greedy. You've got to have a really good product because people aren't compulsive buyers any more. They want quality and if they don't get it they're not going to buy. It's a different market today.

So would you do it all again?

You better believe I would! Absolutely, it's my passion, I love it. It took quite a few years to gain credibility – people stereotyped me when I started out and said I'd be in and out in five minutes, but they were so wrong. I'm quite proud of myself.

www.bycapricelingerie.com

