

YOUR  
*handmade*  
BUSINESS FOUNDATION



FOUR THINGS TO GET RIGHT  
TO PRIME YOUR BUSINESS

*for*

**MASSIVE SUCCESS  
AND SALES!**

# Dear handmade biz owner:

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The purpose of “Your Handmade Business Foundation” is to set you up right from the get go so you can be successful in less time and without wasting your energy (because we know how frustrating that can feel).

If you’ve already set up shop but you don’t feel successful yet, I want to bring you back to the basics to really hone in on what might be the issue. Have a clear mind and really be honest when answering some of the questions in this guide.

This four part e-book contains core building blocks for your business that I wished I had when I was first starting out. I had no idea how to make a sale and was clueless about marketing. It took me four years of part-time “figuring it out” in the beginning before I finally keyed in on what I was supposed to do in my business and how.

Part 1: Your mindset & setting expectations (p 2-8)

Part 2: Pricing handmade (p 9-12)

Part 3: How to make sales (p 13-19)

Part 4: How to get it all done (p 20-23)

“If you can dream it, you can do it” –  
*Walt Disney*

# Part 1: Your mindset & setting expectations

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## Why Go Into Business?

Before you hang out your shingle, be clear on why you're thinking about starting a business. Ask yourself the following questions:

*What kind of life would you love to have?*

*What motivates and drives you?*

*What makes you happy?*

When you're in business for yourself, you are the boss. If you're not doing it for the right reasons you will never have a clear direction to move in. Not having a strong sense of why you're doing what you're doing will cause you to get stuck and you'll never get anywhere.

## Be Unique

Lots of people make jewelry, create online printables, or sell throw pillows. And it's completely okay to sell what someone else is selling!

What you need to do is be clear on what you stand for—on what makes your brand unique.

This is the hook that makes customers want to buy from you over a competitor.

Think about what you want yourself and your brand to be known for. An easy way to frame this is to fill in the blank:

*I make THE \_\_\_\_\_*

For example, "I make THE softest wool mittens."

This allows you to quickly identify what makes you stand out from the thousands of handmade sellers out there.

Once you have this information on what makes you unique, you'll want to include it on everything – your business cards, website, About page, elevator pitch and so on.

## **Invest the Time**

80% of new businesses fail.

Sounds crazy? But it's the truth, and your handmade business is not exempt. I have seen dozens of my colleagues come and go through the years.

Know that your handmade business will take a lot of time.  
Remember this when you feel like giving up!

Some days you'll feel frustrated that success hasn't knocked on your door yet.

Persistence and perseverance are major keys to your success.

Most handmade businesses grow organically. This means you'll need to do a lot of nurturing to get your business off the ground. Investing the time your business needs will help you stand a better chance of being successful.

Do you think you're too busy to devote a lot of time to your business? Think again.

If you want something badly enough, you will find the time to make it happen. Even if it means less sleep or taking unpaid leave from your full time job. This may seem like tough love, but nothing great ever fell from the sky!

Prepare for a lot of hard work.

## **Be SMART About Goal Setting**

Goal-setting can help keep you accountable and determine whether you're on track to being successful.

As a business owner, you're in the driver's seat! Having big dreams is good, but set realistic and achievable goals or you'll always feel frustrated and defeated.

SMART goal setting is a good method. SMART goals are:

- Specific
- Measurable
- Assignable
- Realistic
- Time-related

"I want to make money" is not a SMART goal.

Instead: "I want to make \$5,000 selling my handmade products by the end of the next 12 months" is a specific, measurable, assignable, realistic and time-related goal.

People with direction and purpose have a lot more enthusiasm, passion and hustle for their dreams. Your goals give you that direction.

## **Have a Support System**

Surround yourself with positive, encouraging, and supportive people. If your friends don't understand why you're selling your handmade products, it can sometimes feel like you're swimming against the current.

You might be excited to get your first sale, but your friends just don't know how hard you worked for it and why it's such a big deal to you.

Expand your network to include people who can give you support. If you live in a small town or you don't know of anyone who has a handmade business, try these out to find someone who will love to talk about businessy or crafty things with you:

- Join and participate in LinkedIn groups
- Join an Etsy team
- Get involved in local Facebook groups
- Participate in Twitter chats
- Create a Meet-Up or post a free ad on Craigslist

Having a support system will allow you to bounce around ideas, rant when you feel frustrated, or celebrate when you've achieved something.

I cannot stress enough how important it is to have a group of friends or family to talk to about business. Not only is it healthy for you (because solitude just isn't meant for us human beings), it will also help you propel your business further in less time.

## When To Say No

There's so much to do when you're first starting out. Some of it's fun and some of it's tough. For example, you may love

designing new products but hate marketing and promoting your work.

In the beginning it may be difficult to do the things you don't especially love doing. When you're just starting out, you may feel like you have to take on every opportunity and sale that comes your way. It will be hard to turn something down, even if you know you won't enjoy doing it and it doesn't make you happy. But if it puts food on the table, there's no shame in taking it on!

Take comfort in knowing that as your business moves forward, you will eventually get to pick and choose what you spend your time doing.

You'll have the resources to outsource the rest, and once your business is running well, you might be able to eliminate some tasks altogether. For example:

- Set up drop shipping if you hate packing and shipping your orders
- Stop taking on custom orders if it's too complicated or not worth your time
- Place less emphasis on social media if it makes you uncomfortable

There's a lot to think about as you're first getting your business off the ground.



It's important to know that you don't have to spend a ton of money to make your business work. These days, you can really do a lot with just \$100 (or maybe even less!)

Your biggest investment up front will be your time.

Just be prepared to invest the first few months, if not years, of your earnings back into your business, if you want it to grow.

Understanding these commitments, set goals, and have a support system in place to enable yourself to push through challenges and grow your business!

“Do whatever makes you  
feel good.”

# Part 2: Pricing handmade

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It's imperative that you have a strong understanding of pricing. It's one of those things that can make or break your bottom line!

## Be Open to Adjustments

It's very likely that you'll increase or adjust your pricing through the life of your business. Although it would be awesome to set a solid foundation at the start, it is not impossible to make changes on the fly.

Case in point: I initially priced my jewelry at \$10-\$15 per necklace. After a year or so, I raised the price to just under \$20 each. After that increase, demand for my product continued to rise, so I increased the price even more to \$25-\$30.

Having said that, I would rather you have a good handle on your pricing now than later. When your business matures, you may risk alienating and upsetting customers over price hikes. Your best customers probably won't notice a price change, but why go through the trouble if you can avoid it?

## Avoid Pricing Too Low

Many new handmade sellers start out by pricing their products too low. Remember that each product you make is handcrafted with skill and expertise. You deserve to be compensated for that!

Although "handmade" in itself is not a strong selling point in today's saturated market, you should have a unique selling proposition (USP) that makes you stand out – we figured this out in Part 1. Your USP is part of how the price that you set is justified in the eyes of your customers.

Pricing items high enough might make you feel uncomfortable at first. It's normal to feel this way! But guess what, people WILL pay the fair prices that you set. In the next section (Part 3), we will be talking more about this.

There will always be people who complain that your prices are too high. Don't let them influence you. These are the same people that will never buy from you anyway, even if your prices are lower. Do not buckle on your premium pricing!

Here's why: low pricing only hurts your market and business. While you may make your first few dozen sales quickly thanks to low prices, the overall impression on your brand will be that you're cheap.

Customers will think that your products are poorly made. They will be less likely to treat your product with the care and love it should have.

Customers that tend to shop for the cheapest goods also tend to be the ones that cause you the most headaches!

## How to Price Your Items

Pricing may be difficult. How can you put a price on an item you loved creating? What's fair?

Luckily, there's a basic formula you can use to calculate your price:

***Cost of goods*** = *Materials + your hourly rate + average overhead*

***Wholesale Price*** = *Cost of goods multiplied by 2.2*

***Retail Price*** = *Wholesale cost multiplied by 2.2 - 2.5*

It's a good idea to price your items using this method, even if you don't intend to sell wholesale. Down the road, you may change your mind, or an amazing opportunity to sell wholesale could come your way. You'll want to be prepared for that.

Your price isn't just a mishmash of a few numbers. Your price stands for several things:

- The overall value of the item you sell to your customers
- The experience or feeling it provides to people
- The value you place on yourself and your work
- The uniqueness of what you provide

# “Charge what you’re worth and don’t apologize.”

## Feelings, not materials

Most people don't know what goes into your costs. Your target customer most likely isn't aware of how much your materials cost or how long it takes to create an item.

This is where you need to communicate how your products will make your customers feel or make their lives better. Jewelry may not be able to cure cancer, but it can make someone feel more fabulous and confident. Self-esteem has no fixed price tag. Some people will pay a ton of money to feel good about themselves!

A list of materials your product was made from may be boring information to someone, unless they had specific health restrictions. While it's always a good idea to include this information anyway, it's not really what makes your customer take out their credit card.

Most people shop because they have a practical need to fill or they want their lives to be different. Even if it's in a small and subtle way to you, it can mean the world to someone else.

# Part 3: How to make sales

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Many businesses fail because they never created marketing plans. I want to be sure that you're not going to fall into that trap!

I don't mean that you need a 20-page business plan. I don't have one, but I do have effective strategies that I like to utilize for selling my products.

A solid marketing plan is a key to succeeding with your handmade business.

One of the biggest goals of your business is probably to make money; to create a sustainable business that supports you and your family.

If you don't market your products, customers will never find them, even if your product is beautiful and awesome.

At the end of the day, you market and promote your products so that you can make sales.

## What is Marketing?

Marketing is the big umbrella that covers anything related to selling your products:

- Advertising, email newsletters, postcards

- Public relations (PR)
- Collaborating with influencers or celebrities
- Social media
- Craft shows
- Word of mouth

## Creating Your Marketing Strategy

There is no one size fits all approach to marketing. What works for someone else's business may not work for you.

Still, a good approach is to start by analyzing what's effective for similar businesses, and tweak it to fit your own.

Here are a few tips for developing your brand's marketing strategy:

1. **Emulate bigger brands.** This doesn't mean that you should copy what they do! Rather, you should think like a big brand. Be professional and creative with your shop. You can tell when a promotional campaign that bigger brands use is effective because they keep doing them. That's usually a good sign that it will work for you too.
2. **Maintain a human element.** Think like a big brand, but remember to act like a small business. Part of the allure of buying handmade goods is the personalized, small business service and care.

3. **Try new things.** Every business is different and what YOU love to do is unique. Adjust your strategy to find what clicks for your brand!

This may come as a surprise, but you need to spend most of your time marketing.

80% of the time you put into your business should be devoted to marketing; you'll spend the other 20% making your products.

If you never spent the time marketing, the products you make will have nowhere to go!

## Effective Marketing Ideas

There are many practical and effective ways to market your business. Here are a few suggestions to get your own ideas flowing!

### **Giveaways and Contests**

One way to build your fan base quickly is by offering periodic contests and product giveaways. These techniques may attract "freebie" people that will never buy your product, which is true to a certain extent.

However it's a worthwhile strategy to take when you consider the bigger picture. You may be able to turn the "freebie" people into paying customers eventually.



Giveaways and contests need to be done the right way.

You might give away a product or offer a gift certificate. There are apps for Facebook and blogs that you can use to implement your contests. You can also run things manually if you're just getting started and on a budget.

### **Product Features**

It's easy to get your products featured in magazines, blogs, and other popular websites. Many small businesses have used this strategy. I attribute my own six figure business primarily to product features!

Being featured means that hundreds, thousands, or hundreds of thousands of people can be exposed to your products. This can happen at no cost to you—or maybe just for the cost of sending a sample. Again, it's all about investing the time by reaching out to the right people.

### **Craft Shows**

Craft shows are more than just a place to sell your products—they can be fun! I know many artisans that attend shows all the time.

It's an opportunity to connect with your customers, leaving you with invaluable information about who buys your product and what they think of your work.

I personally don't care for craft shows because they are a lot of work with small returns. Still, it is a good way to make money on the spot and move inventory.

Craft shows are also a good way to network with other handmade sellers. These can turn into valuable connections for your business!

### **Advertising**

If you have room in the budget it can be wise to spend some money on one of the most traditional forms of marketing: advertising.

Google Adwords and Facebook ads can be effective when they're executed correctly. It helps if numbers and data are your thing because some analysis will be required to make sure you're spending your budget effectively.

An even easier way to advertise online is to utilize banner ads on the sidebars of blogs. Here are a couple of options:

- [Passionfruit Ads](#)
- [Project Wonderful](#) – This is what I used when my business was getting started!

There are tons of blogs that charge a small amount like \$10-20 per month so it's definitely an accessible option even if you're on a low budget.

### **Forums**

There are lots of ways to expose your business online and bring more eyeballs to your shop. One of those ways is to participate in forums. I did this a lot when I was first starting out.

Don't participate in a forum for the sake of making a sale. Most members won't like obvious promotion and it's often against the site rules.

Instead, become a part of the community, make friends, and the sales will come in. Be sure to link to your shop in your signature or profile. Participate in the "showcasing" forums where you can show off your newest products!

### **Evaluate and Readjust**

Take some time to evaluate what you might enjoy doing in terms of marketing activities and what is accessible to you. It can be helpful to come up with a strategy or plan of activities you will focus on doing in the next 12 months. This marketing plan will help keep you on track.

Remember that focus is so important. Doing just one craft show is NOT enough and will not give you any accurate indication on whether or not you should do more.

It takes a person an average of seven exposures to your product before they commit to buying from you.

This means your marketing needs to be deep – as in focused and consistent. Not wide, where you're promoting your products using every single technique there is under the sun.

Imagine you're mining for gems in the ground, but you know they only form thousands of miles deep in the earth.

It would be more effective to dig a small but deep hole, than a wide surface! Eventually when you are in the vicinity of the glorious gemstones, does it make more sense to go wide so you can farm the gems quicker.

The same is true for marketing.

Go deep as you're starting out in your business and pick one marketing strategy to focus on. Once you start to find success then you can start diversifying your marketing and promotional strategies.

## Part 4: How to get it all done

All this talk about mindset, strategy, and building a solid foundation for your handmade business is just fine and dandy.

Just don't forget that the most essential step toward success is figuring out how to do it all!

A good starting point is figuring out your working style and what motivates you. When you work for yourself you have to be your own boss!

There's nobody else to tell you to quit playing Candy Crush or get off Facebook.

Ask yourself these questions to start thinking about how you do your best work:

*What kind of person are you (morning person or night owl)?*

*When do you have free time to work on your business?*

*When are you the most productive?*

*Are you self-disciplined or do you need a strict schedule to stay on track?*

Stay in touch with yourself when you're working.

When you start to feel burnt out, give yourself a break or you will fall out of love with what you're doing.

Be disciplined yet kind to yourself.

## Prioritizing the Workload

**Create a schedule and write things down.** You're less likely to forget things if you don't rely on keeping them organized in your head.

**Give yourself deadlines.** Just like in a real job or in a class, make sure you have deadlines. You can set due dates by working backwards from when your goals should be completed. Deadlines serve as reminders and help you prioritize your daily tasks.

**Focus on one thing.** If you can complete one thing today rather than starting five things and leaving them all unfinished, that's a win! Seeing something through from start to finish lessens the likelihood that you'll never finish it at all.

**Do the most important thing first.** Completing a challenging task means it's less likely that you'll procrastinate on it. Get it

out of the way and you'll have time for things that might seem more interesting.

## Productivity Tips

**Work in short spurts.** The Pomodoro technique is based on working in 25 minute intervals. Frequent breaks will improve your mental agility, and giving your full attention to a task for a short 25 minutes is a fairly simple feat.

**Keep a short daily to-do list.** Set one big goal and tackle the smaller sub-goals that you need to complete in order to accomplish it.

**Make new habits.** Try gamefying the process. If you know a reward is coming then you'll be more likely to get something done. A reward could be an episode of your favorite show, a 10 minute walk, or a piece of candy.

**Hack your routine.** Change things up to get yourself out of a rut! If you spend 30 minutes every morning scrolling through Facebook because your phone happens to be charging by the bed, start charging it somewhere else! Try using this time to work out instead so that you're energized and ready to tackle your work.

**Find accountability partners.** Likeminded people who share your general mindset can be great for motivation. Just like

having a workout buddy can motivate you to go to the gym on schedule, an accountability partner can keep you on task at work.

**Use an organization app.** **Craftivity** is an app made for artists, designers, and makers. It helps bring all of these elements together to increase the productivity of your handmade business.

“If you’re making mistakes,  
it means you’re out there  
doing something.”



# Go get 'em!

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Starting a business isn't easy, but it can be your ride to destination awesome for you and your life. Working a 9-5 job provides some stability and great health insurance, but there's so much more to experience in our short existence and it would be such a shame living it for someone else.

Being your own boss strips away any limit to how much money you can make and the abundance in money and freedom can give you the life you dream of.

I started my venture in 2006 when I was just 17 in high school, without a clue on how to run and manage a business. Fast forward to 2011 and I finally go full time into my business. I did a ton of work, often working past midnight and on weekends. I sometimes even recruited my husband to help me make jewelry.

I slowly grew my company to four production assistants, a handful of overseas contractors, two sales representatives and getting my jewelry in national magazines, TV shows and in over 70 brick and mortar stores.

All of this allowed my husband to quit his secure and well-paying office job in 2013 to pursue his own dreams and work from home.

I once started at zero sales, and I'm now making over six figures a year selling my handmade jewelry.

You can live the life you want too, if you plan accordingly and set yourself up with a strong foundation.

Wish you could take the fast track? Does all this marketing stuff confuse you?

Businesses that are ready to take risks and invest in themselves are the ones that succeed. I know this is you.

**Head on over to [www.creativehiveco.com/shop](http://www.creativehiveco.com/shop) now for clarity & specific steps to take in your biz.**

See you on the other side.

**“If you’re waiting for the right time, it’s now.”**