



# STARS Newsletter

South Texas Association of Resale Shops  
visit us at: [www.starsresale.com](http://www.starsresale.com)

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## Mark Your Calendars



### June 2010

Next printing of the *STARS* Newsletter. We welcome news or articles from *STARS* members. Contact the Editor, Pat Swartley, at [pswartley@yahoo.com](mailto:pswartley@yahoo.com) or by phone 281-338-9360.

### June 25-28, 2010

NARTS Annual Conference designed for resale professionals, Ritz-Carlton Hotel, Palm Beach, Florida. Visit [www.narts.org](http://www.narts.org) for more information.

### October 2010

*STARS* Annual Meeting TBA

## Check out *STARS* on FACEBOOK

Yolanda has created a Facebook account for *STARS*. She invites our members (if you haven't paid 2010 dues, do not apply) to add their store to it or provide a link from your own facebook. You can go to [www.facebook.com](http://www.facebook.com) Search "*STARS* resale shops" and look for our logo.

It is just another way for customers to locate shops in greater Houston, but free to our members. Include a picture, and you can comment by adding the name of your store, address and information about your specialty.

Pat has been busy promoting your shops also. She has written an article for the March "Resale Houston" Magazine about consigning merchandise in resale shops. At the end of the article is a statement inviting readers to go to our website for a list of member resale shops to take their items to for consignment. Check out their website: [www.resalehouston.com](http://www.resalehouston.com) and click on : "current issue" to view the article.

Got a suggestion on other ways to promote *STARS*? Let us know.

## INSIDE THIS ISSUE

Letter from the Editor.....	pg 2
What I Would Do Differently.....	pg 3
Resale Queen.....	pg 4
Dress For Success.....	pg 5



## About STARS...

The *STARS* Newsletter is published bi-monthly 6 times a year for Feb/Mar, April/May, June/July, Aug/Sept, Oct/Nov and Dec/Jan and is mailed to *STARS* members, prospective members and other interested persons.

*STARS* was founded in 1991 to promote education, networking, mentoring and co-op advertising among member.

Membership in *STARS* is open to “for-profit” resale/consignment shops in South Texas.

**TO JOIN *STARS*:** visit our website and click on “membership” for information.

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## LETTER FROM THE EDITOR.....

Ah, Spring is in the air. Makes you want to re-organize and freshen up the store. Maybe paint the walls, clean the carpets and make the dressing rooms more attractive. Nothing gets the winter doldrums packing better than a new look. Put up nice displays of attractive spring outfits. Don’t forget spring smelling plug-ins for the wall sockets. By now, and I hope before now, you have taken the last winter clothing off the racks—even the sale racks. Makes your store look a little empty? Good. Put up signage or hand out flyers alerting customers of your merchandise needs and how they can benefit from consigning with you.

Then get set for the closet cleaners and home re-decorators to haul their stuff in. Take time to review your consignment accepting procedures and to improve processing the items to avoid backroom jam ups. Nothing chokes me up more than to be in a resale shop and see stacks of items to be processed that have been there for weeks. I wouldn’t take MY stuff to those stores. How embarrassing it must be for a consignor to check on their account and you have to tell them it isn’t even out on the floor yet! Do something about it.

Another thing I use to do this time of the year is plan to attend the NARTS Annual Conference at the end of June. Talk about rejuvenation: just rubbing elbows with hundreds of resalers who love their store as much as you and who love to share their ideas of what makes their stores great is a huge education in itself. Then there are the workshops staffed by resale professionals to give even more information. The bus tour of outstanding resale and thrift shops in the area offers even more insights into doing resale right.

This years Conference is in Palm Beach Florida in a 5 STAR Hotel. Every NARTS Conference is famous for location, hotel accommodations and the FOOD, not to mention well dressed, very friendly attendees ready to talk you to death.

For full information and registration go online to [www.narts.org/meetings](http://www.narts.org/meetings). I will be attending this year. I have attended most of the meetings in their 25 year history. I will be bringing back information for *STARS* members, but there is nothing like experiencing the Conference first hand. I hope some of you will join me!

**Your Editor,  
Pat Swartley**



## WHAT I WOULD DO DIFFERENTLY IF I OWNED A RESALE SHOP TODAY

By Pat Swartley

Through out my 20 year career in resale I constantly sought education about doing resale right. I changed many of my rules and policies during that time as I learned better ways to do things. Some of you will be nodding your heads and saying, “Yeah, I did that too.”

In reflection, I will share some of my observations.

1. I wasted too many years before I decided to use a software program for resale/consignment shops. It took constant bursitis in my right shoulder and my high school daughters’ nagging before I made the plunge. Still, the program sat in my shop a year (“maybe next month we’ll do it”) before my daughter did the installing and trained me and other employees to use it. You think you have a good system going and don’t need better? I urge you to get over it and explore all the many advantages a software program can do for your store. And of course I suggest you look into ConsignPro, a program I used for nearly 10 years and was very happy with. See the ad for Visual Horizons on the back of the newsletter.
2. During the 20 years I had a lot of employees. Some were horrible and some were outstanding. I regret that I did not dismiss the horrible ones sooner. Mrs. Nice Guy tried so hard to work with them and change them. The minute you ascertain a particular employee is not right for your store—get rid of them. A poor fit of an employee can so hurt your store. I always looked for out-going, personable people, but sometimes you end up with someone who just wants to talk your customers to death with subjects not related to your merchandise. Or, the employee who is so Hitler about rules and policies that they run customers off.
3. Most of the aggravation and dis-satisfaction I experienced with customers came from them not understanding my rules and policies. You need to take the time to carefully explain rules and policies about consignment, lay-a-away, returning items, etc. Make sure rules and policies are fair and easy to understand. I would put more signage up with positive sounding language explaining rules and policies.
4. I would not try to be everything to everybody. Yes, you want to please customers and keep them coming back, but be careful not to compromise your rules and policies as it may (and usually does) come back to haunt you. Stick to your rules and policies without apology and expect customers to treat you with respect.
5. I would get more into the buy-outright business than I did. Your goal has to be making more money than if the goods were on consignment. Start small and keep good records of your success. Once you buy something and sell it 5 or 10 times more than you paid for it, you will be hooked!
6. In general I feel that I gave away too much of my consignment inventory with my markdown schedule, percentage of markdowns, and I had too many sales events. I was also too quick to mark down an item at the cash register to get a sale. Getting return customers was my goal and it cut my profit and payoffs to consignors. My store was never packed out with bulging racks, which was a goal always. I can’t imagine having “bag sales” to move tons of unsold merchandise, as many of my fellow NARTS members have. I had high standards for accepting merchandise and thought that was the reason, but I wonder if my racks were thin because I gave away too much stuff. I tried to price items with the thought, “what would I pay for it?” I could have had a fuller looking store and sold more of the stuff at full price, or I might have had to do bag sales! It is the eternal challenge in resale: take only the good stuff and price it to sell with as few, if any markdowns as possible.



**Dear Resale Queen,**

I am thinking about opening a resale shop. What is the most important advice you can give me?

**Signed: Need to Know**

**Dear Need,**

Just one word: Education. 90% of all small business failures, according to Dun & Bradstreet, can be traced to a lack of knowledge of the business or how to do business. So many people get into the resale business because they love second hand shopping and always wanted to own a business. That is step one. Step two is getting as much knowledge about the business as you can. Where do you go? Start with *STARS* and *NARTS*, visit resale shops, talk to people in the resale industry, read books, and check out *SCORE* and the SBA. Visit Kate Holmes website [www.tgtbt.com](http://www.tgtbt.com)

And your education never stops. As I have said before, the most amazing education you will ever get is at a *NARTS* Conference. As a store owner you must constantly evaluate everything you do to improve or replace policies or procedures to better the store. Too many people think if they are smart and have enough money and work hard somehow they will be a success. None of that matters if you don't educate yourself.

**The RESALE QUEEN**

**Dear Resale Queen**

I own a resale shop. One of the things that bug me is doing markdowns. When and how should they be done?

**Signed: Just Wondering in Houston**

**Dear Wondering,**

Oh my goodness. My most favorite subject! Let me give you some points to consider: What is best for your customer? (Too often our markdown system is what is easiest and less time consuming for us). If you answer the question honestly then the answer is: the customer wants to look at a tag and see the price and not have to do math to figure it out. Yes, I am talking about physically marking down each tag. While doing that you can straighten your racks, pull out that un-found reclaim item that 3 hours of employee's time couldn't find, and get very familiar with your merchandise. When a customer needs a blouse for that suit, you'll know where it is. And maybe you don't really want to mark down some items?

Now to WHY do markdowns. One reason only: to move it out of your store because you need cash (putting it on sale), need room, or feel the items are not what the consumer is looking for. Most stores use a time schedule for markdowns: i.e. if an item has been on the floor x days it must be marked down x percent. I had a time schedule for my store. The advantage was items old enough to be reclaimed were mostly on the 75% sale rack and that made reclaims easier. In hindsight, today I would not mark EVERYTHING down on a strict time schedule. What? I can hear the gasps all across Houston and beyond. Don't mark down that hot item priced to sell. The right person hasn't come in for it yet. Maybe business has been slow and fewer customers are coming in. Many times I have bought a reduced item when I would have gladly paid full price for it. On the flip side: if you decide that an item is a dog, don't wait for the markdown schedule to reduce the price. Slash it now. An important point: make sure your contract reflects your policy. For example: "Markdowns are at our discretion."

**The RESALE QUEEN**



### **DRESS FOR SUCCESS**

What you wear reflects how you feel about yourself. Consider the difference you feel when you are dressed professionally as opposed to your casual wardrobe. Don't you find yourself standing a little straighter, your speech more authoritative?

If you want to send messages of power and authority you should stick with deep, calm neutrals. Forest green, chocolate brown, teal, navy and rust are all good options, says Maggie Mcquown, image consultant for Fortune 500 executives.

Pastels, Khaki and beige project openness and friendliness.. Wear bright colors like hot pink, orange and apple green if you want to build an image of being fun. ( notice she left out black and white—what's up with that?). What kind of an image is your customer looking for? How can you help them achieve that image?

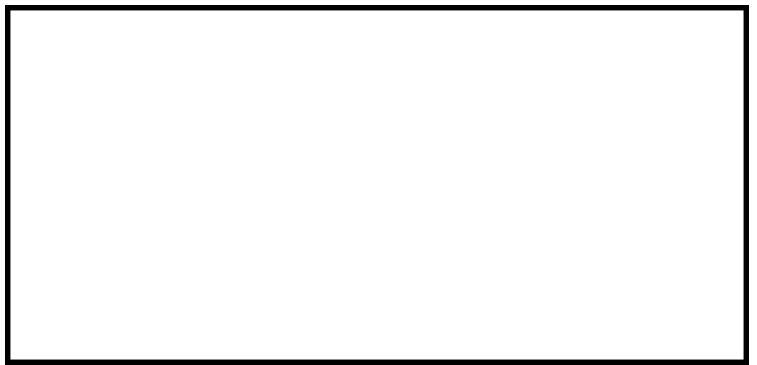
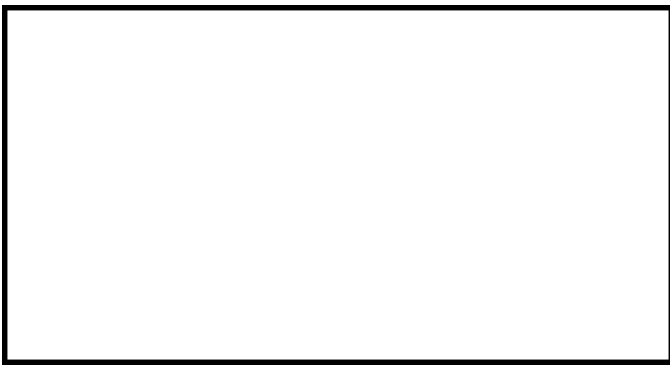
Consider you and your staff. What image do you want to project? Consider what kind of a resale shop you own and what kind of merchandise you sell. If you sell a variety of items low to medium priced, power dress attire might make your customers uncomfortable. Wear friendly styles and colors, even fun colors. If you have a high end ladies dress shop, casual dress will seem out of place.

### **THINGS I MOST LIKE TO SEE WHEN I SHOP RESALE**

1. Displays that are for sale. Take those designer shopping bags off the shelves. Why draw the eyes of your customers off your merchandise?
2. Friendly employees who engage in a little conversation about ME and what I need. And who thank me for coming in whether or not I buy something. I don't want to hear them discuss store gossip among themselves. A well-trained cashier who gets the job done quickly and efficiently is also an asset.
3. Fantastic roomy dressing rooms. Someplace to sit down. A mirror. I don't want to have to go out to the main floor to see myself.
4. A nice bathroom in case I need it that is not cluttered with employee stuff or used as a storage room as well. And don't tell me you don't have a "public" restroom.
5. Good parking, and an inviting exterior. It goes without saying that I want a neat, clean, well organized store to shop in! If I get that "Wow" feeling, the longer I will stay and shop around. If a store is unappealing when I step in the door I usually turn around and get back in my car.

### **FIVE WAYS TO BEAT THE COMPETITION**

1. Do what they do better. Offer services, or products they don't have.
2. Be aware of your target market. What do they want? When do they want to shop or consign? What particular services appeal to them? Don't put your convenience before them and their needs.
3. Make your shop the place resale shoppers want to go first because it is more interesting and exciting to shop there. Mattress Mac has monkeys now. You don't have to go THAT far.
4. Don't let opportunities to promote your shop in the community slip by. Give donations to a worthy cause, support community activities, volunteer your time, allow your store to be a donation drop for a canned food drive. Get an award for your contributions? Display it in the store.
5. Advertise better and more often than your competition.



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