



# STARS Newsletter

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

December 2006/January 2007

Volume 16, Number 6

## Let's Give a Hand....

As we look forward to a new year in business, let's pause a moment to thank those who have helped support the *STARS* Newsletter through their advertising dollars, and have also provided valuable services to us. (Look for their ads on the back of the newsletter)

**Dwayne Stokes, A-1 Store Fixtures, Inc.**

Our very first advertiser!

**Carolyn Wagner, Maxim Insurance,**

helped us get affordable insurance 16 years ago.

**Brian Wilson, Visual Horizons,** maker of the popular ConsignPro software

**The Suchart's, Accessories by Roz and Norm,** our newest advertiser.

Thank you, **Yolanda of Second Childhood** on Fountain View, for your continued dedication to *STARS*. Please respond in a timely manner to her requests for filling out the survey sheet and paying the annual dues.

Thank you, *STARS* members for your continued support of one of the largest and oldest resale associations in the country. We are here to serve YOU by providing educational opportunities, mentoring, and co-op advertising.

I will remain as the Newsletter Editor and I look forward to talking to many of you in the coming year.

Your Editor, *Pat Swartley*

## Mark Your Calendars



### December 31, 2006

Annual membership dues of \$50 must be paid to keep website listing.

### February 1, 2007

**Next mail-out of the *STARS* newsletter**-We welcome news of interest to members. Contact Editor, Pat Swartley, at 281-338-9360 or email [p\\_swartley@yahoo.com](mailto:p_swartley@yahoo.com).

### March 2007

Spring delivery of the *STARS* Official Directory.

### June 22-25, 2007

**NARTS Annual Conference** in San Antonio, [www.narts.org](http://www.narts.org) for more information.

### September, 2007

Fall delivery of the *STARS* Official Directory.

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## 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, *STAR*lets and other interested persons.

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

Membership in *STARS* is open to any for-profit resale shop in business for 1 year or more in the Greater Houston area. 2006 Membership dues are \$50 per year and new members are accepted at any time. *STAR*let provisional membership is offered to new resale shops in business less than 1 year. *STAR*lets enjoy most benefits of membership for free.

*STAR* membership provides the opportunity to have a listing on the *STARS* website, [www.starsresale.com](http://www.starsresale.com). You may also place a website link for a one time fee of \$50. Contact *STARS* at 713-789-6456.

The bi-annual Official *STARS* Directory is published in March and September. For information please call publisher, Jacke Shipwash at 1-409-927-1295.

*STARS* volunteer board members are: Yolanda Ramirez and Sandra Marin, Second Childhood on Fountainview, 713-789-6456.

*STARS* Newsletter Writer/

Editor:

**Pat Swartley**

281-338-9360

Layout/graphics:

**Karen Frerking**

Advertising is accepted.  
Members may advertise  
in a classified section free.

## Letter from the editor...

It will be interesting to see how the recent November elections affect business. Some of us will see hope for the future under the new leadership in Congress and some of us will choose to be fretful and pessimistic. For sure, change is coming. I believe that when people are able to relax and have hope for the future of America they will become better consumers. I believe fear and uncertainty and dissatisfaction with how the country is run tightens the purse strings.

The resale industry, in the past few years, has taken a hit just like retail and service industries. Some stores have done very well in spite of this. Some have not. I can see no discernable pattern to why this is so, except it basically comes down to the individual store and how well they serve customers, and provide what the customer wants to buy, at the price they want to pay. This fact will always hold true no matter what the economy does.

I also believe some sectors of the resale industry seem to be hotter than others from time to time. Resale furniture and home décor is on top right now. Lots of these stores are opening up. Children's stores always seem to do better than ladies shops, in general, because moms will usually put the children's needs before their own.

It is so important to create a presence for your store in the community you reside in. One way is through constant advertising and marketing. On page 3 are some ideas to set you thinking of how your store can gain more recognition without spending a lot of money. I hope you end up the year with better sales than you predicted. Now is the time to examine just what worked for you best this year in terms of increasing the customer base and sales. Always study what is working for your store and what is not. Some of you may remember that I reported several issues ago that Wal-Mart was putting better brands of clothing in their stores to attract a new customer base of more affluent shoppers. It didn't work and they are pulling the clothes. Even the biggest retailer in the world can make mistakes.

Wishing you a Merry Christmas and a Happy New Year!

*Pat Swartley*





**Increase Business Through Community Involvement** **by Pat Swartley**  
**(printed in the NARTS Network Newsletter, December 2006)**

“I see your picture in the paper all the time!” said a former Clothes Basket customer I had just run into. Well, that is not true, actually, but my name and face is in the paper often enough for someone to think that. When I owned a shop customers would come in with a clipping for me or they would stop by and tell me about it. Did my community involvement bring me more customers? I think so. For sure, I made a lot of contacts that paid off in terms of more sales and more merchandise coming in, for the price of a meal or a membership in a community organization.

Let’s just start with the basics: take advantage of every opportunity to promote your business when you go about the community you live in. If you own a shop that sells ladies clothing, for example, it makes sense to always look great when you go to any public event. I can’t tell you how many times I have gotten compliments on something I was wearing that gave me the opportunity to tell someone I got the outfit or the accessories in a resale shop, even if it wasn’t from MY resale shop! Never mind. Resale is resale. I used this opportunity to plug my store and everyone else too by handing out a brochure of the local shops. Don’t you carry some in your purse?

I have created new customers by joining breakfast networking groups that met before business hours. I use to attend a large meeting a mile down the road from my store and invite everyone to stop by after the meeting. I’ve had people in shopping before my store opened.

For many years I have belonged to the American Business Women’s Association. My membership allowed me to dress up, go to lunch, and promote my business once a month. I have done style shows and speeches about resale as well. I had the group so well trained that members would come to meetings bragging about a bargain they got in my store. A few years ago I was honored with their “Woman of the Year” award. Such honors give you credibility as a business owner and free PR for your store in the papers. I recently told the group I had been given the honor of Life Membership in NARTS and I received a standing ovation from women who have followed my career and mentored me as well since 1990.

Another community organization I belong to is a support group for the local symphony orchestra. I sold tickets to their concerts and handed out brochures in my store for 20 years. I still attend every concert and manage the box office. My presence in the foyer of the concert hall reminded attendees that I was Pat from the Clothes Basket. In the past, my store name was on every piece of literature: mail-outs, flyers, posters, brochures and ads, and all of it free. Orchestra members and patrons of the symphony became customers and consignors.

And please! Do not overlook the numerous opportunities to promote your business through your local chamber of commerce. Prepare a 30 second “commercial” about you and your business. (Hint: start with an attention-getting statement about your store rather than “my name is---and I own---.”) Take part in the after-hours networking parties, luncheons, and other business promotional events. Establish yourself as a business professional and get lots of exposure for your store.

One other tip: if you take all this advice, be sure to sign up with a weight-loss program as well. Think about it: all those lunches....and who needs clothes more than these people? I got a lot of good business from my Weight Watcher buddies.



## ***Should You Buy an Existing Resale Shop?***

**By Pat Swartley**

Although I feel indeed fortunate that I was able to buy an existing resale shop and it worked out wonderfully well for me, many first time shop owners make a huge mistake in taking this route. The first mistake they make is in paying too much for the business, which many times means they then have few cash reserves to back them up in their first year of business-- the number one reason a business fails.

A business is really only worth the physical business property. The “good will”, “customer list”, “name recognition”, “good reputation” and other such things are considered “intangibles” and are worth only what the buyer is willing to pay. This is where the real negotiation comes into play, because in the financial world the intangibles have little or no value.

One common way to help determine a price on a business is to consider how much compensation the owner received in one year and then double that amount. However, many times the owner wishes to sell because she or he got no compensation.

One disadvantage is that even if you buy a shop at a good price, that you can easily afford, you will be held accountable for the sins of the previous owners and you will surely hear what they are! Consignment payments to previous consignors is one of the biggest issues. Some buyers accept responsibility for paying off consignors as part of their buy-sell agreement, and some do not. One store owner put a sign on her door telling consignors to contact the previous owner for payments due and gave the name and phone number to contact.

Be aware that sometimes no one will answer the phone, and the unhappy consignor will come back to YOU, and even if you are not legally obligated, the store is given a bad reputation. This is why the customer or consignor list is of little value, as there is no assurance you will keep any of them.

And don't forget the landlord. Will he accept you as a new tenant? Or do you plan to move the business? No one would advise the present owner to sublet to you even if it is a possibility.

I believe that my successful venture into resale by buying an existing shop was greatly enhanced by the fact I had been an employee of the store for two years. I had a good location, lease agreement, and the store was in the black. The former owner was a well-respected business woman in the community, and I already had formed a relationship with the customers and consignors—a very big plus. I often tell prospective resale shop owners to work in a resale shop before investing time and money into the venture, because the most common complaint of new resale shop owners that I hear is: I had no idea how much work goes into owning a resale shop!



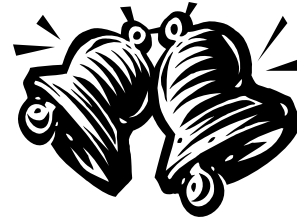
## Welcome New Member

### THE FRONT ROOM

4002 Nasa Parkway (formerly Nasa Road One)  
Seabrook, TX 77586 (In the El Lago community)

Phone: 281.532.1381

Email: thefrontroom@version.net



Tanya Robertson and Diane Sperry purchased Something Old, Something New 10 months ago and recently renamed the store. The store is located next to the old Clothes Basket, now renamed The Assistance League of the Bay Area Resale Shop. Tanya and Diane are in the process of remodeling and upgrading the merchandise. Their merchandise ranges from new gift items to antiques, including antique jewelry. They have lots of home décor items and collectibles also. Of special interest is their large collection of “Dept 56” Christmas houses and villages. Store hours are everyday except Monday. Most, (but not all) of their stuff could be found in the front room which makes their name so cute!

## “We Hold These Things to be Self-Evident...” The Realities of Resale.

1. If you move it, it will sell. How many times have you moved merchandise from one area to another and had it sold the same day? Moving stuff around makes the customer think it is new in the store.
2. No good deed goes unpunished. Most bad experiences with consignors happen when you change the rules just for them with the good intention of providing extra services or benefits... and it comes back to bite you.
3. The best way to make consignors happy is to take everything they bring you, and the best way to make retail customers unhappy is to put it all out on the floor. Getting the proper balance between these two conflicts is what makes owning a resale shop fun!
4. If you price items to please the customers you won't be able to pay the rent and if You **don't** price items to please the customers you won't sell anything to pay the rent.
5. If you significantly reduce the advertising budget, customers will wonder if you are getting ready to close and will shy away from doing business with you, which mean less sales and more cuts in the advertising budget.
6. It takes sales to draw customers in but too many sales hurt the bottom line.
7. Employees can make or break your business. Yet, if you pay them well or offer benefits, this expense will probably eliminate your owner's compensation.
8. Most shop owners do not realize that the landlord's lease is written with their Interests specifically in mind—and not yours.
9. The best way to prevent theft is to have a large enough staff to watch everyone which would probably cost you more than would otherwise be stolen.
10. Identifying VIP most loyal customers and catering to them is the smartest and most important thing you can do, rather than spending time and money developing new customers or trying to win back average customers.

***LOOK INSIDE FOR THE LATEST  
S.T.A.R.S. DIRECTORY INFORMATION***



***S.T.A.R.S. Newsletter  
C/O Yolanda Ramirez  
1922 Fountain View  
Houston, TX 77057***

**First Class Mail  
Address Correction Requested**



**A PUBLICATION OF THE SOUTH TEXAS ASSOCIATION OF RESALE SHOPS**