

## ABSTRACT

RELYEA, RACHEL HOPE. Identifying Best Practices and Determinants for Success in U.S. Fashion Incubators (Under the direction of Dr. Katherine Annett-Hitchcock, Dr. Marguerite Moore).

Business incubation is growing rapidly throughout the country and the world. Business incubators have evolved and developed to aid nascent businesses in becoming successful and self-sustaining. In today's market environment, fashion designers and new product developers face the difficult task of making their business a reality. Incubators can provide a space for the fashion industry to grow in a way that lowers risk to participating companies, and connect them with the resources necessary to become successful. Companies that eventually become self-sufficient enhance job growth, and stimulate the domestic and global economy. Fashion incubation, in particular, has its own unique challenges, but has great potential in the U.S. Market. The purpose of this research was to determine best practices and determinants of success for fashion incubators in the United States in hopes to aid in the development of more fashion incubators and help guide those in existence. Due to lack of substantial research on fashion incubators in the U.S., this study was exploratory. A qualitative research design was used to conduct analysis of three existing fashion incubators in the eastern U.S. from multiple constituent perspectives. Data was collected using an interview process in which the researcher interviewed both directors and clients in the fashion incubators; each key informant was asked 15 questions aimed at identifying attributes of fashion incubators that play important roles in the success of both the incubator and its clients (Appendix A). Interviews revealed rich depth of information, and further research could provide breadth by increasing the number of incubators analyzed. Results suggest several common key determinants for success across different fashion

incubators. Themes that emerged included physical space, mentorship, networking, resource connections, and community.

© Copyright 2016 Rachel Hope Relyea

All Rights Reserved

Identifying Best Practices and Determinants for Success in U.S. Fashion Incubators

by  
Rachel Hope Relyea

A thesis submitted to the Graduate Faculty of  
North Carolina State University  
in partial fulfillment of the  
requirements for the degree of  
Master of Science

Textiles

Raleigh, North Carolina

2016

APPROVED BY:

---

Dr. Katherine Annett-Hitchcock  
Committee Co-chair

---

Dr. Marguerite Moore  
Committee Co-chair

---

Dr. Lori Rothenberg

## **DEDICATION**

This master thesis is dedicated to God, my parents, my sisters, and my dog for their continued support in everything I have pursued. This step in my education and career would not be possible without them.

## BIOGRAPHY

Rachel Hope Relyea was born in Powell, Ohio on June 2, 1991. She is the daughter of Mark and Annette Relyea, and has two sisters, Nicky and Abbey. In 1999, Rachel and her family moved to Mooresville, NC and since this time, North Carolina has been home. Rachel grew up around arts and crafts, and has always enjoyed creative outlets such as art and music. Upon graduation from high school, Rachel attended The University of North Carolina at Chapel Hill for her undergraduate education. At UNC-Chapel Hill, Rachel was an undergraduate researcher and part of several programs including the Duke Energy Bioscience Scholars program, and the Science and Math Achievement and Resourcefulness Track. Rachel was also part of the University music ensemble, and served as a Resident Advisor and Mentor on UNC's campus. As part of her art endeavors, Rachel was published in the campus publication *Cellar Door* for her photography work. During her time at UNC, Rachel also exhibited work at *The Carrack* art gallery in Durham, NC. During her last summer at UNC, Rachel attended art education at Studio Arts Center International (SACI) in Florence, Italy for three months. Rachel received a Bachelors of Science in Biology with a second major in Studio Art, and a minor in Chemistry in May of 2013.

After graduating from UNC-Chapel Hill, Rachel spent a year working various internships and applying to graduate school, eventually deciding on North Carolina State University's Textiles program for her masters in order to pursue a creative career. Rachel was awarded a Research and Teaching Assistantship upon acceptance to NC State and has served as a TA for the duration of her graduate studies. In the summer of 2015, Rachel interned as a Marketing Intern at Cotton Incorporated in the Global Supply Chain Management department. Rachel

received an honorable mention in the Fabric for Life Student Design Competition in December 2015 for her work in digital printing on knitwear. Rachel has also served as a graphic designer for several design competitions at NC State, working with the College of Textiles to advertise these events. She looks forward to pursuing a career in the textile and fashion industry.

## **ACKNOWLEDGMENTS**

I would like to acknowledge Dr. Katherine Annett-Hitchcock for her support and guidance throughout this research process, and for taking me on as an advisee. I would also like to thank Dr. Marguerite Moore and Dr. Lori Rothenberg for working with me on this masters thesis. Lastly, I would like to acknowledge my friends and colleagues in the TATM graduate program for their continued support and comradery throughout my time here at NC State.

## TABLE OF CONTENTS

1. CHAPTER 1: INTRODUCTION .....	1
1.1. Statement of Purpose .....	1
1.2. Significance of Study .....	1
1.3. Limitations of Study .....	2
2. CHAPTER 2: REVIEW OF LITERATURE .....	4
2.1. Introduction.....	4
2.2. Business Incubation History .....	5
2.2.1. National Business Incubation Association .....	7
2.2.2. Early Scholars .....	8
2.3. Incubator Development .....	9
2.3.1. Defining the incubator .....	9
2.3.2. Characterization of incubator structure & organization .....	13
2.3.3. Role of incubators .....	16
2.3.3.1. <i>Administrative and subsidized services</i> .....	16
2.3.3.2. <i>Coaching &amp; business development</i> .....	16
2.3.3.3. <i>Networking &amp; resource connection</i> .....	17
2.4. Business Incubator Success & Evaluation.....	17
2.4.1. Measures of Success .....	17
2.4.1.1. <i>Firm survival</i> .....	17
2.4.1.2. <i>Incubator objectives &amp; goals</i> .....	18
2.4.1.3. <i>Unique needs of clients</i> .....	19
2.4.1.4. <i>Tangible vs. intangible outcomes</i> .....	19
2.5. Significance of Incubator Research .....	20
2.5.1. Economic development.....	20
2.5.2. Entrepreneurship & small business creation.....	21
2.6. Fashion Incubators.....	22
2.6.1. Fashion Incubator History.....	23
2.6.1.1. <i>Current ventures</i> .....	23
2.6.2. Significance of Fashion Incubator Research.....	25
2.6.2.1. <i>Limited knowledge &amp; literature dedication</i> .....	25
2.6.2.2. <i>Fashion education</i> .....	26
2.6.2.3. <i>Industry growth</i> .....	26
3. CHAPTER 3: METHODOLOGY .....	28
3.1. Research Objectives.....	28
3.2. Research Design .....	28
3.2.1. Narrative qualitative approach .....	28
3.2.2. Incubator framework.....	29
3.2.3. Instrumentation: interview development .....	30
3.3. Sample .....	30
3.4. Data Collection .....	31
3.5. Data Analysis.....	32

4. CHAPTER 4: RESULTS & DISCUSSION .....	33
4.1. Introduction.....	33
4.1.1. Description of constituents .....	33
4.1.2. Description of incubators.....	33
4.1.2.1. <i>Incubator A</i> .....	34
4.1.2.2. <i>Incubator B</i> .....	34
4.1.2.3. <i>Incubator C</i> .....	34
4.2. Results.....	35
4.2.1. RO1: Identify key goals of constituents.....	35
4.2.1.1. <i>Accountability</i> .....	38
4.2.1.2. <i>Fit</i> .....	39
4.2.1.3. <i>Collaboration</i> .....	40
4.2.1.4. <i>Community</i> .....	41
4.2.1.5. <i>Education</i> .....	42
4.2.1.6. <i>Public Outreach</i> .....	43
4.2.1.7. <i>Sustainability</i> .....	44
4.2.1.8. <i>Transparency</i> .....	45
4.2.2. RO2: Identify attributes of incubators .....	46
4.2.2.1. <i>Academic partnership</i> .....	46
4.2.2.2. <i>Industry mentors</i> .....	47
4.2.2.3. <i>Physical space</i> .....	47
4.2.2.4. <i>Production facility</i> .....	48
4.2.2.5. <i>Resource library</i> .....	48
4.2.2.6. <i>Sustainability officer</i> .....	49
4.2.3. RO3: characterize best practices of U.S. Fashion Incubators .....	50
4.2.3.1. <i>Application process</i> .....	51
4.2.3.2. <i>Assessments</i> .....	52
4.2.3.3. <i>Designer program</i> .....	53
4.2.3.4. <i>Marketing</i> .....	54
4.2.3.5. <i>Provision of industry mentors</i> .....	54
4.2.3.6. <i>Provision of vendor partnerships</i> .....	55
4.2.3.7. <i>Public programs</i> .....	55
4.2.3.8. <i>Seminars and workshops</i> .....	56
4.3. Summary of Results.....	56
5. CHAPTER 5: CONCLUSIONS, RECOMMENDATIONS, AND FUTURE RESEARCH 57	
5.1. Conclusions.....	58
5.1.1. RO1: Identify key goals of constituents of fashion incubators.....	58
5.1.2. RO2: Identify attributes of incubators .....	59
5.1.3. RO3: Characterize best practices of U.S. fashion incubators .....	60
5.2. Recommendations.....	60
5.2.1. Recommendations for directors .....	61
5.2.2. Client recommendations .....	62
5.3. Limitations Of Research .....	63

5.3.1. Subjective analysis.....	63
5.3.2. Sample.....	64
5.3.3. Timing.....	64
5.4. Future Research .....	64
5.4.1. Different types of comparison/categorization.....	64
5.4.2. Novelty.....	65
5.4.3. Success.....	65
5.4.4. Community impact.....	66
5.4.5. Longitudinal research on Client success.....	66
5.4.6. Effects of resources on Directors and Clients.....	66
6. References.....	67
7. Glossary .....	74
8. APPENDICES .....	75
8.1. Appendix A – IRB Protocol .....	76
8.2. Appendix B – Interview Transcripts.....	77-136

## **LIST OF TABLES**

*Table 1.* Fashion Incubators Currently Operating in the United States

*Table 2.* Goal definitions and frequencies

*Table 3.* Goals and Key Goals of Fashion Incubators

*Table 4.* Incubator Attributes Contributing to Goals

*Table 5.* Best Practices

## **LIST OF FIGURES**

*Figure 1.* Organizational Chart for Fashion Incubators According to Reviewed Literature

*Figure 2.* Interaction between incubator goals, attributes, and best practices

## **CHAPTER 1: Introduction**

### **Statement Of Purpose**

Increase in use of entrepreneurial and innovative strategies by small companies in the U.S. in the past few decades has led to a growth of incubators, which serve to develop small businesses (Dilts and Hackett, 2004). Incubators are economic development tools and hubs for innovation, which provide a space for risk minimization and growth for small companies in fashion and other industries; ultimately, they can help grow the fashion industry. These hubs are mainly combined to urban areas and provide services such as connections to relevant industry mentors, subsidized shared rent space, and small-scale production services. However, little attention has been paid as to the effectiveness of these incubators, from the point of view of the business, its clients, and the wider community.

The purpose of this research is to determine best practices and indicators of success for North American fashion incubators. The following research questions will drive the study. First, what are the determinants for success in a fashion incubator? Very little literature has addressed success in incubators, and even less in reference to fashion incubators. Second, what are the best practices of fashion incubators?

### **Significance Of Study**

The great majority of incubators are non-profit and publicly funded, either through government programs, and/or university systems. They also depend on angel investors or other donors. Since they depend on others for funding, incubators must continue to justify their investment value. Venture capital investment in start-up stage incubators increased almost double to 25.5% in 2013 (Ernst & Young, 2014). Although attraction of outside investment is clearly a key component of incubator survival, there is a need for other measurements of success.

Note here, that most incubators use financial investment in their business as a metric for success (Mitra, 2013). This study will not consider this a metric of success; however, it is recognized that in order to continue and sustain incubator businesses and value-adding services to start-ups, those incubators must maintain funding.

The clients involved in incubators are typically Entrepreneurs, who, by definition, organize and manage any enterprise, especially a business, usually with considerable initiative and risk (Nelson, 2012). To be an entrepreneur one must find a need and fill it in the market (Hwang, 2012). Incubators provide a shelter for growing start-ups and entrepreneurs. They assist in the stabilization of small businesses in the most critical period of their formation.

Entrepreneurs, who may otherwise fail, obtain valuable resources and services at subsidized prices as well as the opportunity to interact and collaborate with those who they may not otherwise meet. That includes other entrepreneurs as well as business advisors, seasoned financial and marketing professionals, and industry personnel. The NBIA reports that, historically, about 87% of graduates from incubators are still in business (Business FAQs, 2015).

Overall, this study will contribute to the literature for a new and emerging business trend. This study will characterize how some fashion incubators work, and how they achieve success. This study's findings can be used for those that are considering starting an incubator to guide organization, and it can also be used for current incubators to compare against and make improvements that may benefit their current incubator model. Furthermore, the study will provide a basis for further research.

### **Limitations Of Study**

Limitations within this study include the sample size, and subjectivity of qualitative research using content analysis. Sample size for this study was limited by budgetary and time

constraints, as well as responsiveness of respondents. This study utilized six interviews with Directors (N=3) and Clients (N=3) in order to answer research questions. Despite multiple efforts to reach out to more Clients, response was limited. The sample was also limited to the Eastern United States in order to allow the researcher to visit facilities. In future studies, this sample size could be expanded. Subjectivity is inherent in qualitative research; content analysis guidelines were followed for data analysis. Additional research perspectives have the potential to increase generalizability of the results.

## CHAPTER 2: Review Of Literature

### Introduction

Business incubation is growing rapidly throughout the country and the world. Business incubators have evolved and developed to aid nascent businesses in becoming successful and self-sustaining. In today's market environment, small businesses face many risks getting their companies off the ground, especially in the textile industry. Fashion designers and product developers face the difficult task of making their businesses a reality. Incubators can provide a space for the fashion industry to grow in a way that lowers risk to participating companies and connects them with the resources necessary to become successful. Companies can eventually become self-sufficient, enhance job growth, and stimulate the domestic economy. Fashion incubation, in particular, has its own unique challenges, but has great potential in the U.S. market.

This literature review will cover information regarding incubators in general. Research and literature regarding the general definition and history of incubators, to the uniqueness of fashion incubators and their significance will be addressed. Major points of focus for this literature review will be in on to success and failure research and impact measurement of incubators. To acquire the necessary breadth of information, literature may be in the context of another geographical area (i.e. Europe or East Asia). Using any relevant writing on general business incubation will be used to develop framework for further research. One challenge and limitation is the lack of information on fashion incubators in particular. General incubator research will be utilized and built upon to paint a clearer picture of what fashion incubation can look like; many of the same business practices for other industries may be applicable for fashion.

It is important to address that the literature chosen will focus on incubators and not other types of business ventures. Start-ups, small and medium enterprises (SMEs), accelerators, and general business practices will not be addressed. Start-ups and SMEs are important to economic development and often play roles in incubation; i.e. incubators take on start-ups and help them succeed. However, literature particularly addressing these types of businesses will be excluded from the literature review to maintain a narrower scope and not be confused with business incubators. Accelerators will also be excluded to keep the scope narrow and because accelerators are fundamentally different than incubators according to the literature and definitions. Incubators are unique and vary widely compared to traditional businesses and business models. An incubator has a unique set of requirements to function and perform its purpose.

This literature review will cover the definition and characterization of business incubators. Following a general framework, a history of incubators will be reviewed to provide an understanding of the recent development of incubators. Finally, information will be presented regarding fashion incubators in particular. Information and writing on fashion incubators has been sparse and is overall lacking. Synthesis and application of research from other sources about general incubators, and arts focused ventures will be considered in regards to fashion incubators.

### **Business Incubation History**

The first business incubator in the United States was founded in 1959 in Batavia, New York (Lewis, 2001; Full Committee Hearing, 2010; Dilts and Hackett, 2004). The mixed-used incubator, with help from local government and a single family, took up residence in an abandoned building as a response to the loss of a major manufacturing plant (Lewis 2001; Full Committee Hearing, 2010). Over the next few decades, many incubators were founded in

response to economic crises in order to ‘redevelop inner-city blighted areas’ (Lewis, 2001; Campbell and Allen, 1987). In the 1970s and 1980s the first incubators continued to emerge in response to economic needs, and, then, as an NSF experiment to ‘foster entrepreneurship and innovation at major universities,’ and finally, ‘[to formalize] the traditional role played by successful entrepreneurs as incubators of new businesses’ (Campbell and Allen 1987). The National Science Foundation started the Innovation Centers Program as part of an “effort to stimulate and institutionalize best practices in the processes of evaluating and commercializing selected technological inventions” (Dilts and Hackett 2004; Campbell and Allen, 1987; Bowman-Upton et al., 1989; Scheirer, Nieva, Gaertner, Newman, and Ramsey 1985).

According to Monkman’s prepared statement for the Full Committee Hearing (2010), there were “12 – 15 incubators operating in the United States” by 1980 in “the industrial Northeast, Middle Atlantic, or Midwest regions” (p. 29). In the US, business incubators primarily focus on economic development, needs, and job creation within local communities specifically designed for those unique individual communities, rather than “a bureaucratic solution from above” (Full Committee Hearing, p. 29. 2010). The number of incubators began to grow quickly throughout the 1980s and 1990s (Dilts and Hackett, 2004). This can be attributed to (1) “the passage of the Bayh-Dole Act in the US Congress in 1980 [which] decreased the uncertainty associated with commercializing the fruits of federally funded basic research,” (2) “the US legal system increasingly recognized the importance of innovation and intellectual property rights protection,” and (3) “profit opportunities derived from commercialization of biomedical research expanded” (Dilts and Hackett, 2004). Not only did the US government legislation have an impact, but also since incubators were being established, a focus on researching these initiatives was taken on by scholars and business experts alike (Dilts and Hackett, 2004). As noted

previously, the instatement of the National Business Incubator Association (now the International Business Incubation Association) in 1985 is a clear indicator of the potential, and continued potential, for growth of incubators (Business Incubation FAQs, 2015; Dilts and Hackett, 2004). In the 1990s, in particular, during the dot.com period, there was a large influx of for-profit incubators; by the late 1990s, they composed about 25% of all incubators in the US (Full Committee Hearing, 2010). What also occurred in the 1990s was the “emergence of ‘virtual incubators,’ which provided professional business services but not office space” (Qian, Haynes, and Riggle, 2011). For the purposes of this research, and as backed by Bearse (1998), virtual incubators are not considered incubators since they cannot be differentiated from business consulting firms. In recent years, the number of for-profit incubators has declined to about 10 percent of total incubators in the mix (Full Committee Hearing, 2010). The overall numbers of incubators continue to rise globally, and within the United States. The estimation provided by the INBIA, is over 1,250 incubators functioning in the U.S. (Business Incubation FAQs, 2015). According to Al-Mubarak and Busler (2014) there are, worldwide, about 7,000 incubators, and about 1,800 are located in the US. Currently, New York, Oklahoma, Wisconsin, North Carolina, and Pennsylvania have the highest number of incubators per state – each with more than 30 (Qian et al., 2011).

**National Business Incubation Association (now International Business Innovation Association).**

A brief overview of the NBIA (InBIA) is important to address. Since the NBIA was founded, it marked an important point in the boom of incubator development. In a way, the establishment of the InBIA, as stated previously, indicated the progress and potential of business incubator initiatives. The National Business Incubation Association, now the International

Business Innovation Association, provides a critical source of information on incubators not only globally, but also domestically to the United States. It is the leading organization, and international non-profit, dedicated to entrepreneurs and the practice of business incubation (Lee, 2015). The change in name occurred in 2015 due to the shift in incubation industry “with the rise of new models such as seed accelerators and coworking spaces” (NBIA 2015). Despite their increase in reach, in terms of types of initiatives, the InBIA provides a Business Incubation Management Certificate Program, and Global Ambassador Network serving 60 countries (About us, 2016). Although it marks a turning point and catalyst for incubator development, it is important to note that this organization is not the ultimate authority on incubators as clearly depicted in Barse’s evaluation of the 1996 IMPACT study (1998). However, it will be an important reference point to the current state of incubators in the U.S.

### **Early scholars.**

Early research followed the surge of incubator establishment and developments. The early 1980s was the start of academic study on incubators and general interest from other parties such as policy makers, government agencies, and private firms that were interested in the incubator process (Qian et al., 2011; Hackett and Dilts, 2004). According to Hackett and Dilts (2004), this was a result of the publication *Business Incubator Profiles: A National Survey* by Temali and Campbell, 1984 (p 55). This publication surveyed 55 business incubators in the United States, and was “the first academic attempt to address [questions] by describing in detail the incubators operating” there (Dilts and Hackett, 2004, p 58). Those questions being ‘what is an incubator?’ and ‘what is necessary to create an effective incubator?’ (Dilts and Hackett, 2004). Much of the initial research on incubators focused on what the incubator actually was; in a way, incubators began as a physical space for start-ups to establish their businesses (Hackett

and Dilts, 2004; Albert and Gaynor, 2001). However, as incubators progressed and grew, scholars began to realize the holistic support system that incubator spaces provided, rather than just low rent (Allen and Campbell, 1987; Smilor and Gill, 1986; Albert and Gaynor, 2001). The following section will expand upon defining incubators.

## **Incubator Development**

### **Defining the incubator.**

In recent history, particularly the last 30 years, scholars and incubators themselves have been attempting to provide a consistent definition for what an incubator is. The ambiguity of the term is problematic for a number of reasons; it makes it difficult to estimate the actual number of incubators, and makes it difficult to come to any general conclusions about incubators or the theories surrounding them (Theodorakopoulos, Kakabadse, and McGowan, 2014; Dilts and Hackett, 2004).

In the purest and traditional sense, the term incubator refers to an apparatus or controlled environment to nurture the growth of living things (*Incubator*, 2016). This term has been adapted to describe a controlled environment, which allows the growth of business. However, within the literature, several definitions emerge – each scholar choosing which attributes of incubators and their development must be included in their formal definition. In its most basic form, a business incubator increases the success rate of start-up businesses (Dilts and Hackett, 2004; Kuratko and LaFollette, 1987; Allen and Rahman, 1985; Qian et al., 2011).

There are several reasons for ambiguity in defining incubators among scholars (Albert and Gaynor, 2001; Dilts and Hackett, 2004). A contributing factor in the difficulty of defining incubators or business incubation is the variation in terms used such as ‘research park,’ ‘technology innovation center,’ ‘innovation center,’ and ‘business incubator’ (Swierczek, 1992;

Kuratko, LaFollette 1987; Dilts and Hackett, 2004). These terms have, historically, been used interchangeably. Terms such as ‘hub,’ ‘collective,’ ‘accelerator,’ or ‘co-design space,’ are also used in the context of an incubator-like establishment or initiative.

Some may consider incubators which do not physically exist, which are virtual – providing services online or through forums and telecommunication methods, as well as being a general supportive community of entrepreneurs. Allen (1985) suggested the concept of ‘incubation without walls,’ but Lewis 2001 points out that, among scholars, it’s accepted that this cannot hold as a formal definition of an incubator (p 7). ‘Incubation without walls’ does not sufficiently connect entrepreneurs together and does not offer the same supportive environment that a physical space could encourage. The physical space also centralizes the functions of the incubator, provides direction, and the heightened ability to deliver services (Lewis, 2001). Brooks (1986) establishes the need for physical space (p. 3). Dilts and Hackett (2004) also briefly mention this point as an issue for the ambiguity in defining incubators. Incubators also may differ by industry, geography, source of funding, etc. Kuratko and LaFollette (1987) point this out as an issue in defining business incubators; the unique nature of incubators and their functions leave room for ambiguity. Other studies that look at incubators also do not consider ‘virtual incubators’ in their sample selection for these reasons (Qian et al., 2011).

Theodorakopoulos et al. (2014) describes definitions as following distinct generations (1, 2, and 3) which follow the timeline of incubation research. These stages or ‘generations’ increase in the amount of components an incubator needs to be considered an incubator; namely, services which address the more holistic approach to business development, rather than just subsidized rent and physical space (Theodorakopoulos et al., 2014). Examples of these services include

mentoring and coaching, and network development, which would be considered higher-level, value-adding offerings (Theodorakopoulos et al., 2014).

The definition from Allen and Rahman (1985) states that a “business incubator is a facility that aids the early-stage growth of companies by providing rental space, shared office services, and business consulting assistance” (p 12). The definition from Sherman & Chappell (1998) states that

Business incubation is an economic development tool primarily designed to help create and grow new businesses in a community. Business incubators help emerging businesses by providing various support services, such as assistance in developing business and marketing plans, building management, teams, obtaining capital, and access to a range of other more specialized professional services. They also provide flexible space, shared equipment, and administrative services (p 313).

The definition according to the InBIA states that

Business incubators nurture the development of entrepreneurial companies, helping them survive and grow during the start-up period, when they are most vulnerable. These programs provide their client companies with business support services and resources tailored to young firms. The most common goals of incubation programs are creating jobs in a community, enhancing a community’s entrepreneurial climate, retaining businesses in a community, building or accelerating growth in a local industry, and diversifying local economies (Business Incubation FAQs, 2015).

Sherman and Chappell (1998) recognize the emergence of other factors that can attribute to start-up development such as ‘professional services’ and ‘marketing plans,’ and Brooks (1986) provides a very similar definition.

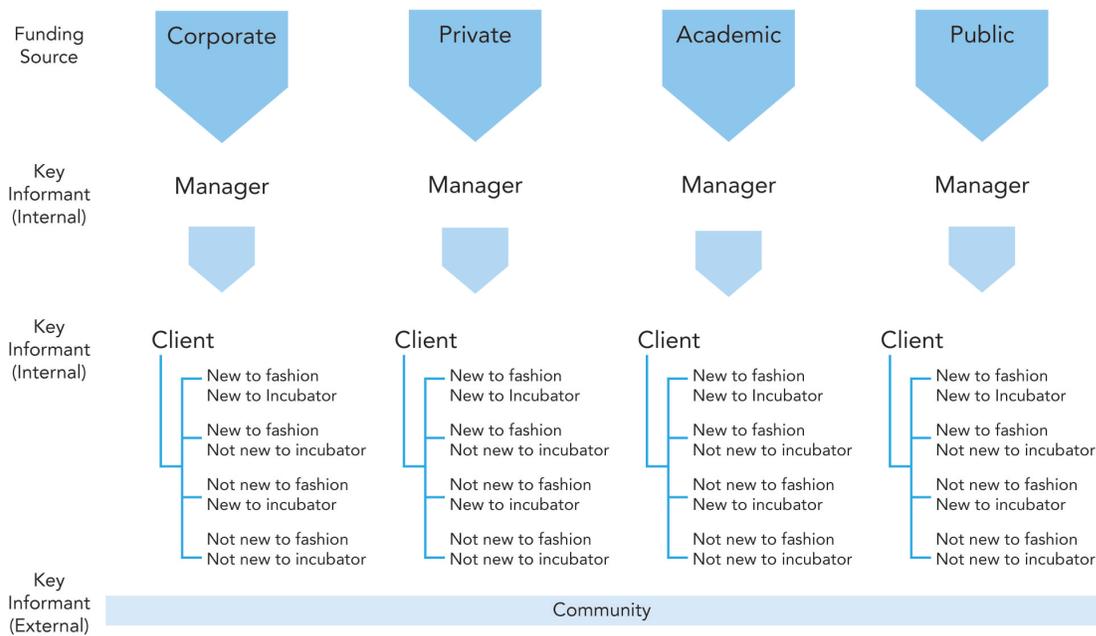
In sum, what is ultimately agreed upon is the basic purpose proposed by Kuratko and LaFollette (1985), which is that the incubator “[reduces] the probability of failure and increase the chances of survival for new start-up businesses” (p49).

The purpose in giving these definitions is to illustrate the discrepancies as well as the similarities between them. Over time, definitions have adapted to how incubators function and their evolution. In early research and academic writing, many of the definitions focused on the subsidy of services and the space provided to new firms (Brooks, 1986; Allen and Rahman 1985; Theodorakopoulos et al., 2014). Notice that the NBIA, providing one of the most recent definitions, places a focus on the community surrounding the incubator, while Sherman & Chappell address it, but mainly focus on the services. Finally, Kuratko and LaFollette (1987) outline the most basic purpose of the incubator. It is clear that scholars quickly realized that there was more to incubators than just a physical space to work in. Incubation is a complex process unique to the individual industry and space that it inhabits (Allen, 1988, p19; Sherman and Chappell, 1998, p 314). These definitions should be taken as working definitions, since they have changed over time. The important point here is to illustrate how different incubators can be, and the difficulty in scholarly agreement on a definition to describe them all.

The framework and definition that will be used moving forward in this research will be the NBIA definition for the following reasons. First, it addresses the basic purpose of nurturing businesses in the start-up phase. Second, the NBIA recognizes the requirement of providing services, and, third, it points out the community and economic development component of incubators. These are the three major components of incubator purpose that emerge in the literature time and time again; it also is a current description, rather than a historical one, of business incubators.

## Characterization of incubator structure & organization.

Now that a definition is established, the conceptual framework of incubators can be expanded upon. First, the overall incubator structure will be addressed. Incubators have three constituents; these are the incubator, the clients, and the community (Dilts and Hackett 2004; Sherman, 1999). These constituents can provide different perspectives for incubator research and evaluation. Within each stakeholder category is another unit of analysis – either the individual can be assessed, or the whole group that represents that stakeholder. *Figure 1* illustrates this conceptual framework for levels of analysis.



*Figure 1.* Organizational Chart for Fashion Incubators According to Reviewed Literature (Note that certain clients may not be represented in every case; New refers to experience accounting for < 6 mos.)

The bare bones that make up the incubator company structure are the sponsor and objectives, building type and location, tenant composition, rent fees and graduation policies, and

support services which are provided (Commerce & Affairs, 1985). These describe the ‘who, what, where, why, and how’ of the incubator. These ‘5 essential dimensions of development and operation’ are consistent across all incubators (Dilts and Hackett, 2004). However, these are simple *operational* components of the incubator; the ways in which they are implemented make each incubator unique. The determinants of incubator success, and best practices may differ from the logistical requirements for operation.

There are several different ways to characterize incubators; much of the early research in business incubation focuses on incubator taxonomy and incubator configuration (Dilts, Hackett 2004). One way is by separating by affiliation or sponsors; another is by goals (Brooks 1986). Some scholars have found that there is a significant difference based on ‘types’ of incubators (Sherman, 1999; Kilcrease, 2011) while others assess that there is not. However, applying taxonomies is a necessary step in the process to investigating business incubators.

Sponsors refer to the primary source of funding for the incubator. Sponsorships may include such categorization as public or community, non-profit, university, and private (Kuratko and LaFollette, 1987; Smilor 1987; Temali and Campbell, 1984; Allen and Campbell, 1987, p 5; Peters et al., 2004). Private sponsorships could include corporate and individual investors. Public sponsorship would primarily involve government initiatives such as funding from the EDA (US Economic Development Administration) or a local initiative. According to King and Allen (1985) depending on the sponsoring organization, ‘the reasons for initiating an incubator will differ and, thus, development expectations and outcomes will differ’ (Kuratko and LaFollette, 1987, p 51). This assessment places the importance and power on the sponsor as a catalyst for the organization and functions of the incubator; incubators, therefore, do not have the ability to freely work the way they might desire. Several scholars have shown that incubators show

different results based on incubator type, one of these main types being defined by sponsors; however, sponsorship does not exist in a vacuum. In addition to sponsorship, there are other factors to classification that can impact development and outcomes, this is the point to which Lewis (2001) makes a connection. An organizational structure posed by Lewis (2001) breaks down into five major categories rather than four: economic development, institutions of higher education, for-profit entities, not-for-profit entities, and public-private partnerships (p 10). Incubators can have more than one sponsor and be hybrids, but organizational structure as defined by Lewis (2001) “refers to the host organization and the revenue streams that support the facility” (p 10). Generally, “state-supported nonprofit incubators are the most popular, followed by university-hosted incubators” (Lewis, 2001).

Sherman (1999) classifies incubators based on their business focus which he divides into three classes: empowerment, technology, and mixed-use (p 119), while Sherman and Chappell (1998) divide these further into five classes: mixed-use, technology, manufacturing, service, and microenterprise/empowerment. This illustrates a shift in focus from financial sponsor and general structure to the ‘what’ the incubator itself is doing. Dividing incubators by their purpose begins to narrow the scope in incubator investigation. Industry or business focus classifications can become increasingly specific; for example some incubators only serve fashion designers, artists, or wearable tech entrepreneurs. This method of classification is close to what Bergek and Norman (2008) assess as necessary for comparison, which is incubator goals. All these different types of classifications, however, attempt to provide a basis for comparison and more specifically define the incubators scholars are observing.

### **Role of incubators.**

The role of incubators is to increase the chance that a new firm will survive; the three things that make this possible are administrative and subsidized services, networking and resource connection, and coaching and business development. Each of these three categories addresses different facets of an entrepreneur's development into a stable business.

#### ***Administrative & subsidized services.***

Administrative and subsidized services could be easily described as the tangible resources or services an incubator offers. These are the most traditional and oldest business services that continue to be offered in incubators. This includes things like office/rental space, copying, faxing, mail, reception etc. that an incubator might offer for the whole group of client firms. These could also include legal and finance services from someone in-house or outside the incubator that the incubator can pull in when needed as a resource. Physical services as outlined by Allen and Rahman (1986) include things such as security, conference rooms, and telecomm equipment. Shared services such as these are the cornerstone of an incubator (Brooks, 1986).

#### ***Coaching and business development.***

Consulting and the sharing of knowledge from the incubator to the firms and between the firms is one of the critical ways that an incubator distinguishes itself from a 'multi-tenant commercial building' or other forms of 'office network[s]' (Allen and Rahman, 1986). Coaching and actively developing clients' businesses is a distinguishing factor in positively impacting clients and pushing them and the incubator towards success (Peters et al., 2004; Allen and Rahman, 1985; Branstad, 2010).

### ***Networking and resource connection.***

Networking may be one of the most important components for incubators (O'Neal, 2005). It provides industry expertise as well as business acumen to the clients and the incubator itself. It fosters a community within the community. Networking can occur between clients and other entrepreneurs, fostering relationships between like-minded business people or those with similar business goals that ultimately created a supportive environment (Allen and Rahman, 1985; Brooks, 1986). It also allows clients to connect easily with production, manufacturing, outside businesses, and other sources they may be using to develop products or their firm while in the incubator, as well as after leaving the incubator. In a study conducted by Peters and Sundararajan (2004), results showed the ability to distinguish success of the incubators investigated was mostly due to the presence or absence of coaching and network services.

### **Business Incubator Success and Evaluation**

#### **Measures of success.**

#### ***Rate of firm survival compared to general business firms.***

Whether or not business incubators actually create a higher rate of firm survival is continually debated and typically one of the indicators of what scholars may consider success in an incubator. The challenge with assessing this is that one must have a reliable, quality, and comparable control group that is typically hard to obtain for various reasons. First, the data available on firms that are starting out may not exist or exist in entirety; it follows that if a firm is not yet established, it may go unnoticed or not be documented. This is one instance where an incubator can provide documentation - a firm may enter the incubator and not become established or self-sustaining, but because they have entered an incubator, there would be a record of the business attempt. Another reason for proving survival rates is the control groups.

There must be a firm starting at roughly the same time, in the same conditions, location, industry, etc. and correlate with the firm in the incubator on those levels. This is an obvious challenge to incubator research. Studies such as Sherman (1999) show a higher rate of survival of new business ventures reported by the SBA. According to Peters et al., 2004, non-profit incubators have the highest number of graduates ‘due to subsidized rates provided by state funding; allowing client budgets to be directed to other profit centered areas’ (Kilcrease, 2011, p 81). Although graduation rates and firm survival can work as indicators for success in some instances, it cannot create a ‘comprehensive picture of [business incubator] performance’ (Kilcrease, 2011).

### ***Incubator objectives and goals.***

Even scholars who are proponents of metrics for evaluation such as Sherman and Chappell (1998) concluded that considering the ‘mission’ of incubators is necessary to measure performance. As research has progressed about business incubators, it has become clear that there must be some subjectivity applied to assessing incubator successes (Voisey, Gornall, Jones, and Thomas, 2006). Success may depend and should be evaluated on the goals and objectives set out by the incubator in its establishment (Essig, 2014; Bergek and Norman, 2008) This means, also, that incubators must have clear goals established throughout their development in order to be successful (Al-Mubarak and Busler, 2014; Smilor, 1987). Quantitative metrics such as jobs created, profits gained, and revenue for an incubator do not conclusively provide an answer to whether or not an incubator is successful, although these are still necessary to track. Although most incubators must evaluate and track this information for investors, metrics such as these do not always clearly portray the incubator’s success (Essig, 2014). Bergek and Norman (2008) actually propose that firms should only be compared if they share similar goals. Therefore,

considering an incubator's individual mission or objectives, not only provides a standard against which to measure performance, but also provides a more stable comparison point between incubators.

***Unique needs of incubatees.***

Managers and incubators should have a way to analyze the individual needs of client firms (Al-Mubarak, Busler, 2014; Branstad, 2010). Each firm brings individual experiences and knowledge with them when beginning their program at an incubator, so it follows that not every firm will need the exact same things. It is the incubator's responsibility to anticipate those individual needs in order to fulfill its basic purpose of increasing the likelihood of a firm's success. This could mean, for example, that a firm with a lot of technical or technological knowledge may not need assistance in that area, but may need resources and knowledge flow in the form of managerial expertise provided by the incubator. Ultimately, "every incubator represents a response to local needs, resources, and opportunities, [a] model will not explain perfectly any one incubator's...experience" (Allen, 1988. p 19).

***Tangible vs. intangible outcomes.***

Traditionally, the hallmarks of a successful business are profit gains, revenue, job creation, growth and the ability to scale up, etc. However, incubators are unique in that over time, scholars have recognized the possibility of tangible and intangible outcomes and performance measures. Increased business acumen and management skills may be fostered in the incubator environment, and although difficult to quantify are invaluable to the firm that gains them. Not only would this type of result help the firm, but it would also translate into the long-term sustainability of their business.

## **Significance of Incubator Research and Investigation**

As shown in previous sections, there is already a solid foundation for continued research on the topic of business incubation. This growing industry impacts small business creation, economic development, entrepreneurship growth, and is simply highly prevalent in the United States with a continued potential for growth. The following will highlight the main points of significance for incubator research and investigation.

### **Economic development.**

There has been a fixation with economic development and what defines economic development in terms of incubator research. Many definitions of incubators state that business incubation is itself an economic development tool (Sherman and Chappell, 1998). Economic development tends to focus on the community surrounding the incubator. Challenges with assessing the economic development impact of incubators can be due to the access to reliable data from local governments, incubators and other sources. Many times, there is little information on firms that enter incubators and either never graduated or fail before establishing a solid business. According to Al-Mubarak, Muhammad, and Busler (2015) incubator models are effective in “economic development and employment growth” (Al-Mubarak and Busler, 2014, p 1).

Economic development as an impact of business incubation has been researched and argued by many scholars. One of the important metrics and aspects of economic development considered is job creation. It is logical to assume that with more successful start-ups becoming self-sufficient that this would create more jobs – localized to where the incubator is and where the business decides to stay. Reed’s (1991) results show this to be true, that incubators that produce more graduates create more jobs. Since the majority of firms remain active businesses

upon graduation in the location in which they are incubated, it follows that the jobs created would also stay local (Sherman, 1999). Some research, however, has stated that these jobs are few, and relatively unstable or that the job creation results are ‘variable’ (Sherman, 1999; Campbell and Allen, 1987). However small the number, other scholars still regard job creation as a significant component of contribution to economic development efforts (Allen and Rahman, 1985; Campbell, 1989; AL-Mubaraki and Busler, 2014). “The most important goal of a business incubator is to grow firms that become financially successful enough to leave the incubator and contribute to the economic environment through job growth” (Kilcrease, 2011; Adkins, Sherman, and Yost, 2002). In addition, researchers have not necessarily been in agreement on the standard relevant variables for economic impact making it difficult to assess and measure (Kilcrease, 2011 – Bigliardi, Dormino, Nosella, and Petronia, 2006). In sum, economic development has been regarded as a major concern in incubator success and has been investigated throughout the literature; however, with the increasing breadth of incubator purposes, missions, and goals, these tangible outcomes are not always the highest priority or best indicators of success (Essig, 2014; Voisey et al., 2006).

### **Entrepreneurship and small business creation.**

Many scholars have also chosen to focus on the effects of business incubators on entrepreneurship and small business creation. It is clear that business incubation is meant to benefit start-ups and nascent companies. The practice of incubation and being involved in an incubator as a startup increases the rate of success in comparison to the average start-up (Sherman, 1999; Bearse 1998; Mian, 1996). An integral part of the incubator’s function is to create a supportive environment for entrepreneurship to exist and grow. According to Allen and Rahman (1986) incubators were able to do that, but noted that the existence of an incubator does

not pull entrepreneurs out of the woodwork; the incubator is not responsible for creating enterprises out of nothing. Most entrepreneurs would be likely to start their firms regardless of the existence of an incubator; however, the incubator does increase the likelihood that these endeavors will last and become successful (Allen and Rahman, 1986, Entrepreneurship is also an important part of creating jobs; new jobs can only exist as companies create them and establishing new small businesses that are stable are an integral part (Bednarzik, 2000). In studies conducted by the SBA (Small Business Administration), they found that very small firms (fewer than 20 employees) were responsible for approximately half of the new net jobs and as those firms aged, job instability decreased (Bednarzik, 2000). These two findings support the push for investing in and supporting entrepreneurship and stabilizing small businesses. In 1997, small businesses made up more than 85% of establishments in the US (Bednarzik, 2000). According to Bednarzik (2000), higher rates of entrepreneurial activity, which includes self-employment, starting a firm, or expanding a firm, was linked positively to economic growth. Small business is an integral and important part of the US community, culture, and economy.

### **Fashion Incubators**

A reason to talk specifically about fashion incubators and their evaluation on an individual scale is due to the idea that incubators should only be compared if they share common or similar goals (Bergek and Norman 2008). Additionally, the fashion industry is a unique industry and has been virtually nonexistent in the literature. Fashion incubators may have some differences in goals, but they are better compared to each other than other industry incubators. The general incubator research provides a framework to start evaluating them and understanding the general workings of incubators. However, creative fields vary greatly from traditional business and have unique sets of needs and considerations in achieving success

## **Fashion incubator history.**

### ***Current ventures.***

The first known fashion incubator was the Toronto Fashion Incubator (TFI) in Toronto, Ontario established in 1987 (TFI, 2016). TFI has provided a model that has been adopted ‘by over thirty global cities including London, Paris, New York, Milan, Amsterdam, Melbourne, and Chicago’ (TFI, 2016). The Toronto Fashion Incubator provides administrative and shared services such as ‘shared workspace, in-house design studios’ as well as business development services such as ‘one-on-one mentoring, educational seminars and master classes, promotional and marketing opportunities, valuable trend and business resources and market leads;’ they also provide networking (TFI, 2016). The types of things they offer are in line with previous incubators of all types, but their additional services and spaces are honed to the particular industry in which they participate. They consider their contribution one to the individuals they work with and the community around them (TFI, 2016). The TFI is just one example of a fashion incubator, and although it is not within the United States, it is important to mention for the foundation that it has created for fashion incubators around the world. Within the United States there are currently 22 fashion incubators. Following is the list of established fashion incubators in the US obtained by searching the Internet and through contact with incubator directors.

Table 1. Fashion Incubators Currently Operating in the United States

Name	Location	Website
Fashion Incubator San Francisco at Macy's Union Square	San Francisco, CA	<a href="http://www.fashionincubatorsf.org/">http://www.fashionincubatorsf.org/</a>
SF Fashion Lab	San Francisco, CA	<a href="http://sffashionlab.org">sffashionlab.org</a>
Philadelphia Fashion Incubator	Philadelphia, PA	<a href="http://www.philadelphiafashionincubator.com/">http://www.philadelphiafashionincubator.com/</a>
Chicago Fashion Incubator at Macy's on State Street	Chicago, IL	<a href="http://www.chicagofashionincubator.org">www.chicagofashionincubator.org</a>
DCFI @ Macy's	District of Columbia	<a href="http://dcfashionfoundation.org">dcfashionfoundation.org</a>
Manufacture New York	New York, NY	<a href="http://manufactureny.org">manufactureny.org</a>
CFDA Fashion Incubator	New York, NY	<a href="http://www.nycedc.com">www.nycedc.com</a>
Brooklyn Fashion and Design Accelerator	New York, NY	<a href="http://bkaccelerator.com">bkaccelerator.com</a>
Seattle Fashion Incubator	Seattle, WA	<a href="http://seattlefashionincubator.org">seattlefashionincubator.org</a>
Detroit Garment Group	Detroit, MI	<a href="http://detroitgarmentgroup.org">detroitgarmentgroup.org</a>
The Runway – Lansing, MI,	Lansing, MI	<a href="http://www.runwaylansing.com">www.runwaylansing.com</a>
Miami Fashion Incubator (Macy's)	Miami, FL	
Fashion Business Incorporated (Macy's)	Los Angeles, CA	<a href="http://fashionbizinc.org">fashionbizinc.org</a>
Savoir Faire New Orleans Incubator	New Orleans	<a href="http://sfno.org">sfno.org</a>
Factory Girls ATL	Atlanta, GA	<a href="http://factorygirlsatl.com">factorygirlsatl.com</a>
Atlanta Fashion Incubator	Atlanta, GA	<a href="http://atlantafashionincubator.com">atlantafashionincubator.com</a>
HIFI – Hawaii Fashion Incubator	Honolulu, HI	<a href="http://hawaiiifashion.org">hawaiiifashion.org</a>
Saint Louis Fashion Fund	St Louis, MO	<a href="http://saintlouisfashionfund.org">saintlouisfashionfund.org</a>
Stitch Factory	Las Vegas, NV	<a href="http://stitchfactory.com">stitchfactory.com</a>
DE FI Dayton Emerging Fashion Incubator	Dayton, OH	<a href="http://daytonemergingfashionincubator.com">daytonemergingfashionincubator.com</a>
Denver Design Incubator	Denver, CO	<a href="http://denverdesignincubator.com">denverdesignincubator.com</a>
MKE Fashion Incubator	Milwaukee, WI	<a href="http://www.mkefashionincubator.com">www.mkefashionincubator.com</a>

## **Significance of fashion incubator research and investigation.**

### ***Lack of knowledge and literature + fashion industry size.***

Currently, there is very little literature that focuses on fashion incubators. There has been some media focus in magazine articles and the like, but academic literature has largely stayed away from investigating incubators geared towards fashion and other creative fields. With the exception of a few conferences on fashion business in South Africa, there is very little else on the subject. What can be gleaned from this, however, is a significant need for research. Despite the lack of academic literature on the subject, the fashion and textile industry is a major part of the world's economy. Textiles makes up \$726 billion of the worlds total trade in 2013, ranking 11<sup>th</sup>, behind products such as foodstuffs, chemicals, and petroleum (Simoes and Hidalgo, 2011). The fashion industry is a global industry; participation in the fashion industry cannot be limited to the context of the United States. In an industry where cotton, for example, could be grown in the US and spun into yarn, woven in Pakistan, cut and sewn in Sri Lanka, and shipped around the world, the bigger picture must be considered. Fashion businesses big and small all compete for the same markets, and the better-equipped firms are at the outset, the more likely they are to be successful.

Despite the globalization of the fashion industry, many small companies starting in the US will begin by serving the US consumer. The apparel and footwear market in the US is growing and gaining momentum especially in men's apparel, sportswear, and internet retailing; specialized growing markets present new opportunities for industry growth with existing firms as well as new businesses (*Apparel and footwear in the US: Industry overview*, 2015). Incubators provide space and support for innovation, and innovation is one of the driving forces in the US apparel market; the growth of internet retailing and e-commerce provides an opportunity for new

business, with less capital, which may not be able to choose the traditional brick-and-mortar path to retail (*Apparel and footwear*, 2015).

### ***Fashion education.***

According to Harvey (2013) fashion designers in incubators had fashion education and the technical skills and knowledge to create their products, but lacked the business know-how to support their business. One significant role of a fashion incubator could be to provide an intense development of client business skills and knowledge base. Although versed in their art form, fashion designers and textile artists may not have the exposure to real-world situations involving business practice, marketing and market research, or problem-solving skills in a way that would apply to their nascent company (Harvey, 2013; Bortolot, 2015). Clients of fashion incubators around the world attest to the fact that they gain valuable insight from the people around them, other entrepreneurs like themselves who have already faced the same challenges, as well as the program itself which can teach designers how to choose and approach a store when it comes to retailing (Beckett, 2012).

### ***Growth of the textile industry.***

The product development process in the fashion industry is costly, especially when done independently. Incubators make it possible to share the costs and risks associated with product development. The types of technical skills and equipment required for the development of fashion and textile products include things such as large scale cutting equipment, industrial sewing machines for all types of materials, drafting space and equipment, knitting equipment, CAD software and PLM (product lifecycle management) software, etc. which, together, require space and investment that most independent designers would not otherwise be able to supply for themselves or afford (Beckett, 2012).

In addition to the production required for the fashion industry to exist, fashion business in the US can potentially provide opportunities for skilled labor and other related jobs. According to the Bureau of Labor Statistics, “from 1996 to 2011, the US apparel manufacturing industry experienced many job losses – averaging 323 mass layoff events per year...” (*Spotlight on Statistics: Fashion*, 2012). Some of the benefits, which can be seen in recent New York fashion incubators, are the potential to bring small amounts of manufacturing back to the area where the resources already exist and the skills are left unused; with operating at a small scale and working locally, places such as the BF+DA encourage reaping the rewards of available resources and a ‘regulatory environment’ which is easier to navigate (Pasquarelli, 2015).

## **Chapter 3: Methodology**

The purpose of this research was to determine best practices and determinants of success for fashion incubators in the United States. Incubators are economic development tools and hubs for innovation which provide a space for risk minimization and growth for small companies in fashion and other industries; ultimately, they can help grow the fashion industry. Many studies have examined incubators; however, very few have focused on fashion and textiles in the U.S. Since there is a growing movement to bring design and manufacturing back to this country, determining best practices will also be a useful tool for new incubators moving forward.

### **Research Objectives**

The two primary research questions are as follows:

1. What are the determinants for success in a fashion incubator?
2. What are the best practices of fashion incubators?

In order to address the two primary research questions and the overarching purpose of this study, the following objectives are stated:

RO1: Identify key goals of constituents of fashion incubators

RO2: Identify attributes of incubators, which enable constituents to achieve these goals

RO3: Characterize best practices of U.S. fashion incubators in terms of key constituents

### **Research Design**

#### **Narrative qualitative approach.**

Due to a lack of substantial research on fashion incubators in the United States, including evaluation methods, an exploratory study was deemed an appropriate way to address the research questions stated above. Long interviews from multiple constituents within the incubator, as well as on-site observations, provided a small-sample case study to provide depth of insight. Short

case studies produce rich data that can be used to establish a research agenda about an emerging issue and provide direction for future research. The narrative method allows for the acquisition of information from a specific perspective; since the research seeks to evaluate subjective measures of success and best practice, the narrative method is, therefore, appropriate (Riessman, 2008). Traditional metrics such as profit growth, and other numerical measures for success are already known. The goal for this research was to uncover other tangible and intangible factors that contribute to the success of these institutions and their clients.

Several papers cited in the literature review were used as a starting point to provide guidance for research design. Many of these studies were exploratory and utilized interviews and observation. These studies aimed at providing depth of information rather than breadth, and focused on qualitative measures. Both Essing (2014) and Al-Mubaraki and Busler (2015) utilized a sample of three incubators in their descriptive studies. They also utilized databases and the internet to find possible sample pools and employed interviews for collecting data.

### **Theoretical framework.**

The theoretical framework on which the research design was built was based on the review of literature and evaluation of consistencies in how incubators are organized. Funding models were used to categorize incubators. However, it is important to note that other categorizations are valid and may provide alternatives for comparing incubators. For the purpose of this study, division of incubators by funding source provided a convenient method of sample selection. Constituents were identified for the incubator. These included the Client, who utilized the incubator for their business development; the Director who runs and helps organize the functions of the incubator and services provided to the clients, and the outside community. The third viewpoint, that of the community, is acknowledged to be an important component, but due

to difficulty in attaining public data as well as time and budgetary restraints, it was decided that collecting data from this third party was beyond the limits of this study. Investigation of community effects of incubators is an opportunity for future research.

### **Instrumentation - interview development.**

The interview protocol consisted of fifteen questions to be asked during a 30 minute to one hour interview. Clients received a questionnaire specific to their role, while Directors received a different questionnaire specific to their role. The interview questions were developed to identify goals; attributes of the incubator which assisted in achieving these goals, and practices within the incubator that contributed to identified goals. All six interviews were conducted by the principal researcher; during on-site interviews for Incubator A the research advisor was also present and participated in follow-up questioning. For Incubator A, the Client B interview had two interview subjects present, but represented the same business, and were therefore counted as a single Client perspective. Incubator B also had a dual interview, with two directors representing a single Director perspective. The complete protocol for the interviews can be found in Appendix A. The protocols were approved by the Institutional Review Board of the University of North Carolina, #6470.

### **Sample**

Based on studies reviewed in the literature and the number of currently operating fashion incubators, three incubators were chosen for the sample. Due to time and budgetary constraints, focus was put on corporate-funded, academic, and independent incubators. These funding source categories also encompassed most of fashion incubators present in the US, as very few are publicly or government-backed in comparison to other types. One incubator in each funding category was selected as a data collection site. According to the review of literature, two key

informants were important in determining the incubator's success - the Client and Director. The focus of the sample, in sum, was on the internal active participants in the incubator - the Clients and Directors.

Taking a sample of three incubators was supported by other studies in the literature (Essig 2014; Al-Mubarak and Busler, 2015). Selection of incubators and subjects to be interviewed was achieved through several avenues. First, an internet search of fashion incubators around the country was conducted to obtain the most complete list possible (Table 1). The geographical area was then restricted to the East Coast of the United States due to travel and budgetary restraints that would make it possible to do on-site visits and in-person interviews. Next, specific incubators were chosen based on personal connections and introductions, as well as reaching out to those without any previous connection. Selection of individuals for interview was then coordinated by the primary contact at each of the incubator facilities. Primary contacts were Directors.

### **Data Collection**

Interviews (N=6) were conducted in-person or via phone based on arrangements available with each individual. All interviews were conducted by the principal researcher, with the aid of the research advisor for Incubator A interviews. As stated previously, in instances where two individuals represented a single business, they were counted as a single Client data point; in addition, two directors present in an interview represented a single Director data point. On-site interviews were recorded using a small SONY® digital voice recorder to obtain audio of the interviews and the recordings were transcribed verbatim at a later time by the principal researcher with the aid of free online software to Transcribe and Transcribe plug-in for Google Chrome (Appendix B). Phone interviews were recorded with the ACR Phone Recording App for

Android with permission of the participant. In addition, the researcher took typed notes during the interview. The first two incubators utilized for interviews were conducted on-site, during a weekday. Each interview lasted approximately 35-60 minutes depending on how long it took for respondents to answer questions. The last interviews were conducted via phone due to travel budget constraints. The last interview was also conducted during a weekday and lasted 30 minutes. Interviews were recorded and transcribed as per the previous protocol. Three Directors and three Clients were interviewed.

### **Data Analysis**

Transcription of audiotapes was analyzed using content analysis by the researcher with help from QSR Nvivo 10.0 software for the first research objective. Nvivo was used in order to find frequencies of goal themes identified by the researcher by inputting key terms and searching for stemmed words, and synonyms. Individual frequency results were then evaluated for context and relevancy. RO2 and RO3 were analyzed using manual content analysis from transcripts, notes, and the findings in RO1.

## Chapter 4: Results & Discussion

### Introduction

During data collection, in-depth interviews were used to obtain information to address the three research objectives:

1. Identify key goals of constituents of fashion incubators
2. Identify attributes of incubators which enable constituents to achieve these goals
3. Characterize best practices of U.S. fashion incubators in terms of key constituents

### Description of constituents.

Prior to data collection, two types of constituents were identified as informants capable of reflecting the necessary information: *Directors* and *Clients*. *Directors* of the incubator assume a managerial role and act as a resource for designers in the incubator; they also serve as representatives of the incubator to the outside community. For all three selected incubators, *Directors* agreed to be interviewed and are included in the data analysis. In contrast, *Clients* represent designers that utilize the incubator and participate in their respective incubator's designer program, which excludes members of the incubator who simply rent space. *Client* representation was only captured from Incubator A. This was due to a lack of responsiveness among *Clients* from Incubators B and C, despite repeated efforts to include these respondents in the sample.

### Description of incubators.

Based on the organizational structure outlined in *Figure 1*, three incubators were selected based on their different funding models, to obtain breadth of information regarding constituents, attributes, and practices. Individual descriptions of each incubator follow, including geography,

funding source, program type and length, number of members, year of establishment, facilities offered, and square footage.

***Incubator A.***

Incubator A is located in a large urban area of the northeastern United States with easy access to fashion resources, from suppliers to production facilities and industry mentors. Incubator A receives funding and resources through a partnership with an academic institution and offers both a designer program and a member-only option for shared workspace. Incubator A's structured designer program lasts for two-to-three years and currently has 15 designers. Incubator A has been in operation for 13 years. Incubator A also has a small-run production facility on site equipped for cut-and-sew and knitwear production; total square footage of the production facility, workspace, and meeting spaces is over 21,000 square feet.

***Incubator B.***

Incubator B is located in a large urban area in the mid-Atlantic region of the United States with little access to fashion industry resources such as production and industry mentors. Incubator B is primarily funded by a national retail chain and is also a part of a public foundation dedicated to promoting the city's fashion industry. Incubator B also receives funding through partnerships with institutions and businesses throughout the city. Incubator B offers a designer program lasting one year which currently has seven designers enrolled. Incubator B is in its first year of operation and has a small studio space of 900 square feet inside a large retail store at the center of the city; production is either carried out by the designers themselves or outsourced.

***Incubator C.***

Incubator C is located in a large urban area in the southeastern United States and is funded by the owners. Incubator C offers a designer program lasting six months with an option

to extend a designer's stay an additional six months; they also offer a consulting option for those not suited for the designer program. There are currently eight designers in the program. Incubator C has been active for three years as a co-working space and factory, but has only been offering the designer program for six months. In addition to the workspace, Incubator C offers a production facility mainly for cut-and-sew and womenswear apparel; however, they refer other production and specialty products to facilities with whom they have partnerships. Incubator C did not respond in regards to square footage.

## **Results**

Interview data was transcribed by the researcher from audio recordings taken during the interviews, and supported by notes taken during the interviews. Data was coded by the researcher after reviewing interview transcripts using content analysis which revealed keywords that emerged frequently. The researcher used these keywords to determine themes that are considered as goals among the interview data generated by the Directors and Clients.

### **RO1: Identify key goals of constituents (Directors and Clients) of fashion incubators.**

Based on the content analysis of all interviews (N=6), eight major themes that represent goals emerged from the investigated fashion incubators. The goal categories include: community, public outreach, education, sustainability, accountability, collaboration, transparency, and fit. Within the interview data, each of these goals was emphasized to a different degree, while some were omitted depending upon the incubator's response. Many times goals were outlined in the specific mission of the incubator, while others were developed over time based on the needs of the Clients. Therefore, both explicit and implicit goals emerged in the results. Definitions and frequency of theme occurrence within each incubator are presented in Table 2.

Table 2. Goal Definitions and Frequencies

<b>Goal</b>	<b>Definition</b>	<b>Total Frequency</b>
<b><i>Accountability</i></b>	The ability of the incubator environment to provide appropriate pressure on Clients to achieve their goals and to hold them accountable to themselves and the incubator community.	Incubator A: 5.5% Incubator B: 0 Incubator C: 0
<b><i>Collaboration</i></b>	Occurs when two or more parties work together to create and/or share ideas.	Incubator A: 4.8% Incubator B: 0 Incubator C: 0
<b><i>Community</i></b>	The internal community of the incubator which was fostered by the Directors as well as the Clients in the programs.	Incubator A: 20.0% Incubator B: 1.7% Incubator C: 2.0%
<b><i>Education</i></b>	Efforts to impart knowledge and practical skills related to business development in the Client's industry.	Incubator A: 15.2% Incubator B: 38.8% Incubator C: 62.0%
<b><i>Fit</i></b>	Characterized as the agreement of goals and vision between potential Clients and the incubator.	Incubator A: 14.5% Incubator B: 19.8% Incubator C: 16.0%
<b><i>Public Outreach</i></b>	Emphasizes a focus on the external community, community development through economic development, and/or marketing the incubator itself to others in the external community.	Incubator A: 8.3% Incubator B: 38.8% Incubator C: 20.0%
<b><i>Sustainability</i></b>	Pertained not only to 'being green' with the reuse and recycling of materials and use of natural materials in products, but also considered the economic and social sustainability of companies.	Incubator A: 29.7% Incubator B: 0.9% Incubator C: 0
<b><i>Transparency</i></b>	The practice of honest communication of a company with their consumer, and sharing information about the business openly.	Incubator A: 2.0% Incubator B: 0 Incubator C: 0

After goals were determined by the researcher through the content analysis, levels of importance were determined among the incubator responses. Levels of importance were determined by the frequency of mention of a given goal by the respondent. Frequency was determined by grouping relevant terms related to the goal concept into a single category. Therefore, frequency accounted for relevant terms beyond the verbatim category title (e.g. community). For example, community was mentioned, but was also mentioned in the context of ‘culture,’ ‘peers,’ ‘relationship,’ etc. The collective frequency of community included terms that both referred to and contextualized community. Importance levels were determined by relative proportion of each goal to the total number of citations within each incubator’s response. Goals which occurred in the uppermost third of each incubator’s total citations, were considered to be of high importance; goals which occurred in the middle third were considered to be of moderate importance; goals in the bottom third of the total frequency of citations are considered to be of low importance (Table 3.2).

Table 3. Goals and Key Goals of Fashion Incubators

Goal \ Incubator	Incubator A	Incubator B	Incubator C
Accountability			
Collaboration			
Community			
Education			
Fit			
Public Outreach			
Sustainability			
Transparency			

-  No Mention
-  Low Importance (Bottom third of frequency)
-  Moderate Importance (Middle third of frequency)
-  High Importance (Upper third of frequency)

### ***Accountability.***

Accountability refers to the ability of the incubator environment to provide appropriate pressure on Clients to achieve their goals and to hold them accountable to themselves and the incubator community. Incubator A was the sole respondent that indicated accountability as a goal, representing 5.5 percent of its total goal responses, while both Incubators B and C did not suggest accountability as a goal.

Both Directors and Clients made clear in various ways that accountability was important to success. Directors provided accountability primarily through incubator and Client

*assessments*, which address both tangible and intangible goals, using both quantitative and qualitative measures. The assessments were based on Clients' goals which were used as benchmarks. The assessments commonly presented Client's financial information (e.g. revenue, profit margin, etc.).

Additional attributes and practices also emerged related to accountability. *physical space, a community of peers/entrepreneurs, a structured program curriculum, and mentorship*. Physical space and the community surrounding Clients affected accountability in a positive way. The proximity and openness of the environment paired with the presence of peers helped to keep Clients accountable. The following quote illustrates how assessments work as part of the structure of the program and provide guidance from mentors:

*"...We have all our goals and they're being tracked over time, and so you might do it in your notebook, you might look back at it , but I think it provides a structure, and then accountability, and guidance, and what you should be doing...I think having the constructive criticism as well as encouragement..."*  
*Client 2 - Incubator A*

### ***Fit.***

All the incubators placed value on having the best possible cohort of designers for their respective programs, referred to as fit. Within the study, *fit* is characterized as the agreement of goals and vision between potential Clients and the incubator. All incubators acknowledged the importance of properly selecting designers to join their programs in order to make the incubator successful and sustainable, and also to create the highest chance of success for Client businesses. All incubators attempted to determine if the program was financially viable for the Clients before admitting them. The ways in which incubators determined the group of admitted designers included an *online application process* and an *interview process* with mentors and/or Directors in

the incubator. Incubators A and B had a requirement for how long potential Clients had to be in business before entering the program, while Incubator C did not have a requirement. However, Incubator C reported that all designers in their program had been in business for several years. Interviews assessed whether a designer would be a good fit, if the option of joining the incubator was financially viable for a designer, and also assessed a designer's vision and commitment to their business based on a variety of factors. These considerations resulted in a cohort of designers which most closely aligned with the incubator's mission and would work well together in creating a nurturing incubator community.

All Directors (N=3) mentioned the importance of not 'wasting' resources on those designers who may waver in their dedication. However, Incubator B was the only incubator that was satisfied if designers ended up quitting their businesses and moving on to work in the industry in another capacity. The following quote illustrates concerns over fit:

*"...they're very clear and, you know, full, driven women that know what they're doing, that's what we want. We don't want someone to come in here and waste all of their money on [a brand] to say 'well, I don't really know what I'm doing, I'm gonna give it up. This isn't working out for me.'" Director - Incubator C*

All the incubators (N=3) mentioned fit as a goal; for Incubator A, fit represented 14.5 percent of the total citations, Incubator B it represented 19.8 percent of total citations, and, for Incubator C, fit represented 16 percent of total citations.

### ***Collaboration.***

Collaboration occurs when two or more parties work together to create and/or share ideas. One of the things that an incubator has to offer its Clients is the opportunity for collaboration. Collaboration contributed to the sense of community, and could provide peer-to-peer education and direct business benefits. For example, Incubator A had several pairs of

companies working together on various products/product lines in addition to their regular business. Neither Incubator B nor Incubator C mentioned collaboration as part of the incubator's goals. Collaboration resulted from the provision of *physical space* and open workspace in which designers could readily communicate; the presence of *entrepreneurial peers* also influenced collaboration. Incubator A, for example, had a varied mix of designers who addressed different foci in fashion, providing a learning opportunity and possibilities for collaboration:

*"...We've had a lot of companies collaborate, an example is one of our knitwear designers is doing a collaboration with one of the menswear designers who have done knitwear before... one of our members actually hired one of our venture fellow designers to design a capsule collection for her...and one of our other venture fellows...their whole business model is about collaboration and about helping designers tell their sustainability story, so they're by necessity collaborating with almost everyone." Director - Incubator A*

*"...yesterday we were sitting at our desk and someone came over and was like 'hey,...which cuff do you like better?' ...and five people weighed in on it in a matter of two minutes - you had immediate feedback..." Client 3 - Incubator A*

Incubator A was the sole respondent to indicate collaboration as a goal, it accounted for 4.8 percent of the total citations of goals, which emerged in the interview data.

### ***Community.***

Community refers to the internal community of the incubator, which was fostered by the Directors as well as the Clients in the programs. Community provides stability and a culture to nurture many different types of companies at the same time. Community was of high importance in Incubator A, but was of lower importance in Incubators B and C. Community stood out as one of the most effective things an incubator had to offer its Clients, whether it was a goal of high or low importance. Clients from Incubator A mentioned community as a large part of why they liked working there and reported that it impacted the quality and development of their businesses. The following quotes illustrate the desire for a community:

*“You can get an office anywhere in [REDACTED], but you really don't have the community that's here, so that's really what people are looking for.” Director - Incubator C*

*Researcher: “what kind of benefits do you think you've gotten by being here?”*

*Respondent: “I think also community culture, creating that community, having people that you can feel is kind of your work family type of thing.” Client 3 - Incubator A*

Community was strong when the incubator provided a *physical space* for Clients to work, mingle, and learn from each other. The presence of *other entrepreneurs, or peers*, created this internal community. Incubator communities were also strengthened by the involvement of *industry contacts* - expanding the incubator community externally. While some incubators took a more individual approach to their Clients, such as Incubators B and C, community among entrepreneurs and industry provided a setting most conducive to business development and success among Clients according to reported information. Community was mentioned at all three incubators as a goal. For Incubator A, this accounted for 20.0 percent of the total citations, while Incubator B's community frequency was 1.7 percent and Incubator C's was 2.0 percent.

### ***Education.***

Education in an incubator refers to efforts to impart knowledge and practical skills related to business development for the Client. Education was of high importance to all the incubator programs. Many of the Clients came from different backgrounds, each with unique needs and skill sets, but all with a vision of being successful in the fashion industry. Education was an important part of what a nurturing incubator environment could provide. Education was achieved through *workshops and seminars, academic partnerships and resources, industry contact resources, and provision of educational materials in a resource library* for Client use. Education

as described by Directors and Clients covered many topics including business development, business planning, financial planning, sustainability, supply chain and management, textiles and fabrics, and negotiation strategy. All aspects of the start-up business in fashion are examined and addressed through education to prepare Clients; the following quote provides an example of what is offered to Clients in a program:

*“...so what they had so far [is] a two day intensive training with someone from the industry [who] knows all about offshore production, the process of production, he knows about financing, he knows about how to get money how to find money, then he knows about sales merchandising, sales presentation and sales pitching. He did it as a two day class and went over the financials and all that. So that was a two day seminar. They've had some seminars where they've met with boutique owners where boutique owners inform them of how they shop what they're looking for, about brand identity, about their visual when they come to a boutique and how you know, they make it or break it from the door...”*  
*Director Respondent 1 - Incubator B*

*“...we're adding to supplement people with the education they've had or don't have at all, because we really want them to get the skills they need to be successful in the industry. A lot of them come to us with just a passion for fashion, that really don't know everything. So that's part of the classes we have and workshops”* Director - Incubator C

Education was mentioned at all three incubators as a goal, and represented a significant portion of the citations. Incubator A had a frequency of 15.2 percent, Incubator B had a frequency of 38.8 percent, and Incubator C had a frequency of 62.0 percent.

### ***Public outreach.***

Public outreach emphasizes a focus on the external community, community development through economic development, and/or marketing the incubator itself to others in the external community. Public outreach also includes, in the context of fashion incubators, reaching out to the outside community to be involved in the incubator. Public outreach was of high importance for Incubator B, and low importance to Incubators A and C. Incubators achieve public outreach

in several ways, through offering workshops and seminars which are aimed at providing education to those outside the incubator, as well as *marketing efforts* such as physical handouts, email newsletters, and events open to the community. Incubator C also reached out to designers in the area to participate in *events* such as trunk shows. Public outreach was of high importance in Incubator B due to having a director that was the head of a public foundation and maintains many partnerships with public entities throughout the city. All three incubators mentioned public outreach in some way. Frequencies for public outreach as a goal are as follows: Incubator A with 8.3 percent, Incubator B with 38.8 percent, and Incubator C with 20.0 percent of total citations.

### ***Sustainability.***

Sustainability was loosely defined; it pertained not only to ‘being green’ with the reuse and recycling of materials and use of natural materials in products, but also considered the economic sustainability of the individual companies, and the social sustainability of companies. Throughout the interviews, sustainability was of high importance for Incubator A, and low importance for Incubator B. Otherwise known as the ‘triple-bottom line,’ environmental, social, and economic sustainability were emphasized by those incubators which placed importance on sustainability as a goal (Slaper, 2011). The holistic approach to sustainability broadens the scope of opportunity for companies to capitalize on sustainable practices, and, ultimately, be a sustainable and successful business. Both the Directors and Clients described sustainability as a goal. Best practices which emerged when discussing sustainability include a *mentor/Director who was dedicated to sustainability* and sustainability education in the incubator, *sourcing resources* and vendors with transparency, *seminars and workshops* on topics of sustainability, and the provision of a *resource library* of materials and other information on sustainability for

Client use. The following quote illustrates how seminars and workshops can be beneficial to clients:

*“I’d say I go to about half of the events or lectures that are offered; it’s nice that they’re happening, you’re working and you can just walk down there... and sit and listen to our lectures... and they’re always really amazing, why not go and listen to somebody really interesting and talk about your industry? But, I would say that and then the [Resource library] S-lab has been really helpful too, I’ve definitely worked with them a bit, sourcing different fabrics...” Client 1 - Incubator A*

Sustainability was only significant in Incubator A where it represented 29.7 percent of total citations of goals. Incubator B also mentioned sustainability and it represented 0.9 percent of total citations.

### ***Transparency.***

Transparency refers to the practice of honest communication of a company with their consumer, and sharing information about the business openly. Transparency was only mentioned by Incubator A as a goal. Incubator A valued having transparency in their supply-chain as well as other business practices. *Seminars and workshops* on sustainability topics and the supply chain contributed to building transparency among Clients and throughout the incubator. The Client *application process* also aided in achieving transparency by requiring applicants to disclose relevant information to the incubator about their business practices and values as illustrated in the following quote:

*“...We do expect some kind of sharing or openness - transparency in their business. We don’t want them only to be takers, but that’s something we kind of look at during the interview process. So we gauge whether we think people are coming in exclusively to take information and be mentored and not give back, or contribute to the community” Director - Incubator A*

Incubator A was the sole respondent that mentioned transparency as a goal, it represented 2.0 percent of total citations for Incubator A.

Ultimately, the achievement of these goals allows the incubator to achieve the ultimate goal of an incubator, which is to develop Clients and their new businesses in order for them to be successful and, thus, self-sustaining.

**RO2: Identify attributes of incubators, which enable constituents to achieve goals.**

Following the identification of key constituents’ goals, the analysis proceeded to determine which specific incubator attributes contributed to the established goals. The interview data was analyzed to identify these attributes. Six attributes emerged from the data, and are presented below in alphabetical order (Table 4).

*Table 4.* Incubator Attributes Contributing to Goals

<b>Attribute</b>	<b>Incubator A</b>	<b>Incubator B</b>	<b>Incubator C</b>
<i>Academic partnership</i>	●	○	○
<i>Industry mentors</i>	●	●	●
<i>Physical space</i>	●	●	●
<i>Production facility</i>	●	○	●
<i>Resource library</i>	●	●	●
<i>Sustainability Officer</i>	●	○	○

- Incubator provides attribute
- Incubator does NOT provide attribute

***Academic Partnership.***

Although all incubators indicated a desire to provide education, Incubator A was the only example, which had a structured partnership with an academic institution. This partnership provided them with professors as resources both for seminars and workshops, as well as for their

production facility. Based on the data, Incubator A, *academic partnerships* contributed to the education goal as illustrated in the following quote:

*Researcher: “so you've really got also this education component...”*

*Director: “Of course... that's always a key component because we're funded by [REDACTED], and it's just where we come from and why we started...” Director - Incubator A*

### ***Industry mentors.***

*Industry mentors* were cited as a resource among all three incubators. Respondent comments indicated that industry mentors contributed to the education goal, particularly for Clients. Mentors were available for public relations, e-commerce, financial planning, business planning, sustainability education, etc. Mentors for business and financial planning were some of the most frequently mentioned; Clients typically did not have as much experience in these fields as they did with design or creative aspects of their business as illustrated in the following quote:

*“When you're dealing with creatives it's more work, it's like they work harder, not smarter because they're not business people...So this is kind of like, that nurturing environment to help them get it” Director - Incubator B*

### ***Physical space.***

*Physical space* was commonly cited as contributing directly to the achievement of three different goals (i.e. community, accountability, and collaboration). Physical space refers to the open workspace environment, which all incubators provided. It also includes meeting spaces and office amenities, such as copiers, printers, wireless internet, etc. Physical space contributed to the ability of incubators to develop community, provide accountability to its Clients, and foster a collaborative environment. All three incubators provided an open floor-plan workspace with only partial walls/dividers which allowed designers to interact freely and easily, resulting in collaboration and relationship building. Several Clients from Incubator A mentioned a sense of

community provided by the space, as well as accountability, since their peers and other entrepreneurs around them could set a benchmark their performance as cited in the following quote:

*“...I used to be down at the corner on that end, and my studio mate across from me is always really good about being on time with her developments and her production, and seeing her work on that was like ‘oh, ok. I need to make sure I’m getting these things turned in this week.’ So...yeah it helped...if you’re on our own it’s just a little more ambiguous...” Client 1 - Incubator A*

### ***Production facility.***

A *production facility* was offered by Incubators A and C. Production facilities contributed to the goals of community, public outreach, education, and collaboration. Production facilities contributed to community and public outreach by providing access to the outside community for use, as well as for those in the incubator. These facilities allowed the development of relationships between Clients and producers of their products. An on-site production facility also allowed Clients a first-hand look at the production process for a fuller understanding of product development, and their supply chain. Lastly, production facilities on-site allowed for opportunities to collaborate since Clients could see immediate results and work with production staff directly on product development as illustrated in the following quote:

*“...I’ve been working in knitwear for a long time so making that switch into a different category was something that was a little bit daunting...and being able to do small runs of production in wovens and then add that to the line I think has increased my sales...” Client 1 - Incubator A*

### ***Resource library.***

The interviews indicate that a *resource library* contributed directly to the achievement of two different goals (i.e. education and sustainability). Resource libraries were present at each of the three incubators in different capacities and helped to provide education and positively

influence sustainable practices. Incubator A provided a small sustainability library which housed fabric samples as well as books and other educational materials regarding sustainability.

Incubator B provided a binder of industry contacts to act as mentors for different needs at any time by Clients. Incubator C provided a fashion reference library for Clients. These resource libraries provided a curated source of relevant information to the Clients in each specific incubator. Incubator A had the most robust resource library, mainly focusing on sustainability, but provided for an unrecognized need among Clients (i.e, There was a need to understand the supply chain in Clients' businesses) illustrated here:

*"...Within the sustainability strategies we see that the goals are either understanding supply chain better or learning how to communicate their existing supply chain with their customers..." Director - Incubator A*

***Sustainability officer.***

Also specific to Incubator A, the presence of an *officer dedicated to sustainability* was cited as a contribution to their ability to achieve sustainability and sustainability education in the incubator and with Clients' businesses. The officer who was dedicated to sustainability was in charge of the resource library for sustainability, as well as consulting with Clients and providing mentorship regarding sustainable practices and education, and was part of the Director team. The impact is illustrated in the following quote:

*"...We said to [the sustainability officer], 'you know this is kind of what we're thinking...these are the five or six areas that we think would fit in,' and she said 'those are great, but you can do more.' And part of that was not even knowing what those options were, and so we have - some of them we've explored more, some of them we are going to be able to do, some of them are long-term goals. But, we didn't even know what the long-term goals were, because it's just not common knowledge. And, it's more difficult and some of it is just needs support to be able to figure out..." Client 2 - Respondent 2 - Incubator A*

This officer also was able to provide workshops themselves and also had contacts which were relevant to educating Clients on sustainable practices. Note that within this incubator sustainability emerged as a single most important goal in the interviews, indicating an emphasis on this area within Incubator A.

**RO3: Characterize best practices of U.S. fashion incubators in terms of key constituents.**

Each goal had a specific underlying best practice that allowed those goals to be achieved. Incubators achieved goals through various best practices and attributes, with some overlap. Interview transcripts and notes were reviewed by the researcher after building the model of key constituents' goals. This second analysis of the information with goals in mind was to determine what best practices were underlying the goals of the incubator. Best practices are defined as active efforts by the incubator to achieve goals, which go beyond the basic attributes to achieve goals identified in Objective 2. Eight areas of best practice emerged from the interview data to address Objective 3 (Table 5). These practices are implemented in the following areas: Application process, assessments, designer program, marketing, provision of industry mentors, provision of vendors, provision of public programs, seminars and workshops.

Table 5. Best Practices

Best Practice	Incubator A	Incubator B	Incubator C
<i>Application process</i>	●	●	●
<i>Assessments</i>	●	●	○
<i>Designer program</i>	●	●	●
<i>Marketing</i>	○	●	●
<i>Provision of industry mentors</i>	●	●	●
<i>Provision of vendor partnerships</i>	●	●	●
<i>Public programs</i>	○	●	○
<i>Seminars/workshops</i>	●	●	●

- Incubator practice
- NOT an incubator practice

***Application process.***

Interview data indicated that choosing the right Clients to admit to the program (i.e. fit) positively impacted the overall quality of the community, fostered collaboration, and imparted accountability upon peer members. Incubator B reported trying to improve the application process:

*“...being that it's the inaugural year, everything's brand new, so... now that I'm here I've changed some things, the application process is one” Director 1 - Incubator B*

The *online application process and the interview process* were integral parts of selecting an appropriate pool of designers, and achieving fit. The online application process for all incubators required basic information about the Client, their business, and product.

Incubator A requires financial information, sustainability efforts, product and services information, personal information, and business information including team members and

description of leadership. Applicants satisfying the first phase advance to interview with Directors and mentors at Incubator A to determine if the Client is a good fit.

Incubator B requires an application fee, a biographical statement, and affirmation of eligibility. Subsequently, applicants are narrowed down and then asked to provide further information regarding business goals and the current status of their business as well as current mentors and contacts. The final step for Incubator B is a Client interview with directors and mentors.

Incubator C has an online application requiring information on the collection, general business information, information on other employment and press, and an essay. In addition, a resumé is required, and the second phase is a Client interview with directors and mentors.

All incubators require images of work. Ultimately, the online application process allows incubators to understand every major facet of a potential Client's business, determine the dedication of a potential Client to their business, and filter potential Clients by incubator eligibility. Interviews allow Directors to further explore each potential Client and their business to determine if not only the Client's business is a good fit, but if that potential Client would fit into the incubator community and be an active, contributing member in the incubator culture. The ability to be appropriately selective of Clients allows incubators to lower their risk of investing in Clients and also creates a nurturing incubator community.

### ***Assessments.***

*Assessments* were cited as contributors to the goal of accountability for Incubators A and B. Assessments keep Clients accountable as illustrated in the following quote:

*"...being held accountable for things also. Once a month, you know, fill out [the assessment], it just makes you look at everything...I would not do that if it was just me ..."* Client 1 - Incubator A

Incubator A performed monthly, quarterly, and annual assessments including meetings with Directors and/or mentors to review their business progress. These assessments included traditional metrics and quantitative measurements, as well as subjective goals. Clients set out their own goals for each month, quarter, and year with the help of Directors and mentors, and these served as benchmarks for the assessment. If a goal was not met, Directors and mentors would help troubleshoot with Clients and give them resources necessary to achieve the goal. Incubator B had a similar process. Just one Director/mentor met with designers informally and received updates through talks with the Clients. Additionally, they had a quarterly review which the Director/mentor would evaluate the designer they are also asked questions to give feedback about the incubator and the program. At the end of the year-long structured designer program, Clients were also required to provide a completed business and financial plan in order to ‘graduate’ from the program. At the time of interviews, Incubator C had not performed any formal assessments.

***Designer program.***

Providing a *designer program* contributed to achieving accountability. The structured designer program at Incubator A was two-to-three years in duration depending on the needs of Clients. The program included workspace, mentorship, as well as monthly, quarterly, and yearly assessments. Clients in the program also received discounted rates at the on-site production facility. The program at Incubator B was one year, with monthly assessments and end-of-year requirements for business plans and financial plans. The program also included a curriculum of classes which Clients were strongly encouraged to attend. Incubator B’s program was structured in such a way that if their Clients did not meet expectations, they could be let go from the program as illustrated in the following anecdote:

*“It’s...a performance improvement plan, and...I’ll give them a date where you have this time frame to improve this, if you don’t we will have to discuss, and, ultimately, it could end in termination. We’ve already let a designer go out of our incubator, and that’s because she wasn’t meeting her measures of 35 hours a week, getting in here and working, she was hardly attending the outreach events, she wasn’t doing any outreach at all, she was working a full time job and that’s one of the things that we...frown upon, because this is your company, building your company, your business. So she was actually working a full time job... She really wasn’t able to participate in anything, so we said ‘this isn’t the program for you.’” Director 1 - Incubator B*

Incubator C, in contrast, had no structure to their program, but Clients received access to resources, as well as one-to-two hours of mentorship per month, with an option for more as needed.

### ***Marketing.***

*Marketing* emerged as a component of accomplishing the goal of public outreach for Incubator B. While Incubator B marketed their program to the public, Incubator A used no outside marketing to obtain applicants for their program, and were made known primarily through word-of-mouth. Incubator C used marketing to reach out to other designers who were not in their program to participate in events such as trunk shows. However, Incubator C’s marketing was not geared toward the general community.

### ***Provision of industry mentors.***

Building *partnerships with industry mentors* was important for expanding the incubator community and achieving education. All three incubators built partnerships with industry mentors so they could keep them as resources for Clients consultation. The types of industry mentors mentioned include: public relations specialists, financial planners, etc. Incubator A provides an example of an event they have once a month that utilizes industry mentors:

*“...Once or twice a month we bring in industry professionals to give presentations on specific problems that we’ve outline within the entire fellowship community,*

*and, usually, they're sales or marketing focused. Occasionally they have financial information. This one happened to be fitting with an expert on fit and finding/ understanding your target customer and identifying that, and finding a fit model to be appropriate.” Director - Incubator A*

***Provision of vendor partnerships.***

*Provision of vendor partnerships* was influential in educating Clients in all incubators as well as providing opportunities, and access to resources that the incubators may not have been able to provide. Vendors could speak about products or different topics. Vendor partnerships also were primary resources for Clients with specific needs and could be recommended by the incubator. Building relationships with *local vendors* also contributed to the goal of sustainability. The advantage of local vendor partnerships is displayed in the following quote:

*“We just want to be known for the one-stop shop for all the resources that they need, so whether it's the photoshoot, whether it's fabric sourcing, we want them to know they don't have to leave the southeast, and we're not saying just [REDACTED], but the southeast to get anything done... We just want to say, 'hey you need denim made? We have a great partner in North Carolina that does denim, you don't have to go to New York, you don't have to go overseas,' we want to keep the slow fashion movement here, and just provide a space and a place to go.’ Director - Incubator C*

***Public programs.***

*Public programs* were provided by Incubator B. Incubator B was part of a larger foundation, which offered public programs for business development education and to promote fashion products made in their city. The incubator, as a component of the foundation, formed partnerships with museums, and other public institutions throughout the city to collaborate with the incubator’s Clients. Ultimately, these efforts contributed to achieving their goal of public outreach, making the outside community aware of the incubator and imparting benefits to the local community through economic development.

### ***Seminars and workshops.***

*Seminars and workshops* were provided by all incubators. Seminars and workshops were generally educational, and therefore, helped in achieving many goals including, education, sustainability, transparency, and community. Seminars and workshops provided valuable knowledge for business development to all Clients in all incubators, ultimately allowing the incubator to continue being successful. Seminars and workshops were also often open to the public for a small fee, this brought in revenue for the incubator as well as expanding the incubator community. Seminars and workshops also include classes which were provided both to Clients and to the public, therefore, contributing to public outreach. For example, Incubator C offers classes in design development, draping, and other apparel related skills for those that need improvement, or for the public who would like to learn a new skill. Although seminars and workshops, including topic classes were offered to the public, none of the incubators pushed these to the public as part of public outreach.

### **Summary Of Results**

After identifying the goals and attributes among the interview data, best practices among the sample incubators were identified (RO1-RO3). The data across the three incubators suggest that goals are pursued through incubator attributes and best practices simultaneously. Attributes and best practices are not mutually exclusive, and contribute to the ongoing process of achieving goals. Additionally, depending upon the incubator's structure and mission, attributes and best practices are implemented in different combinations. In many cases, these attributes and best practices address more than one goal. Based on the interview data, Figure 2 depicts the numerous interactions between goals and attributes, as well as goals and best practices in an attempt to display the simultaneous nature of these concepts in reality.

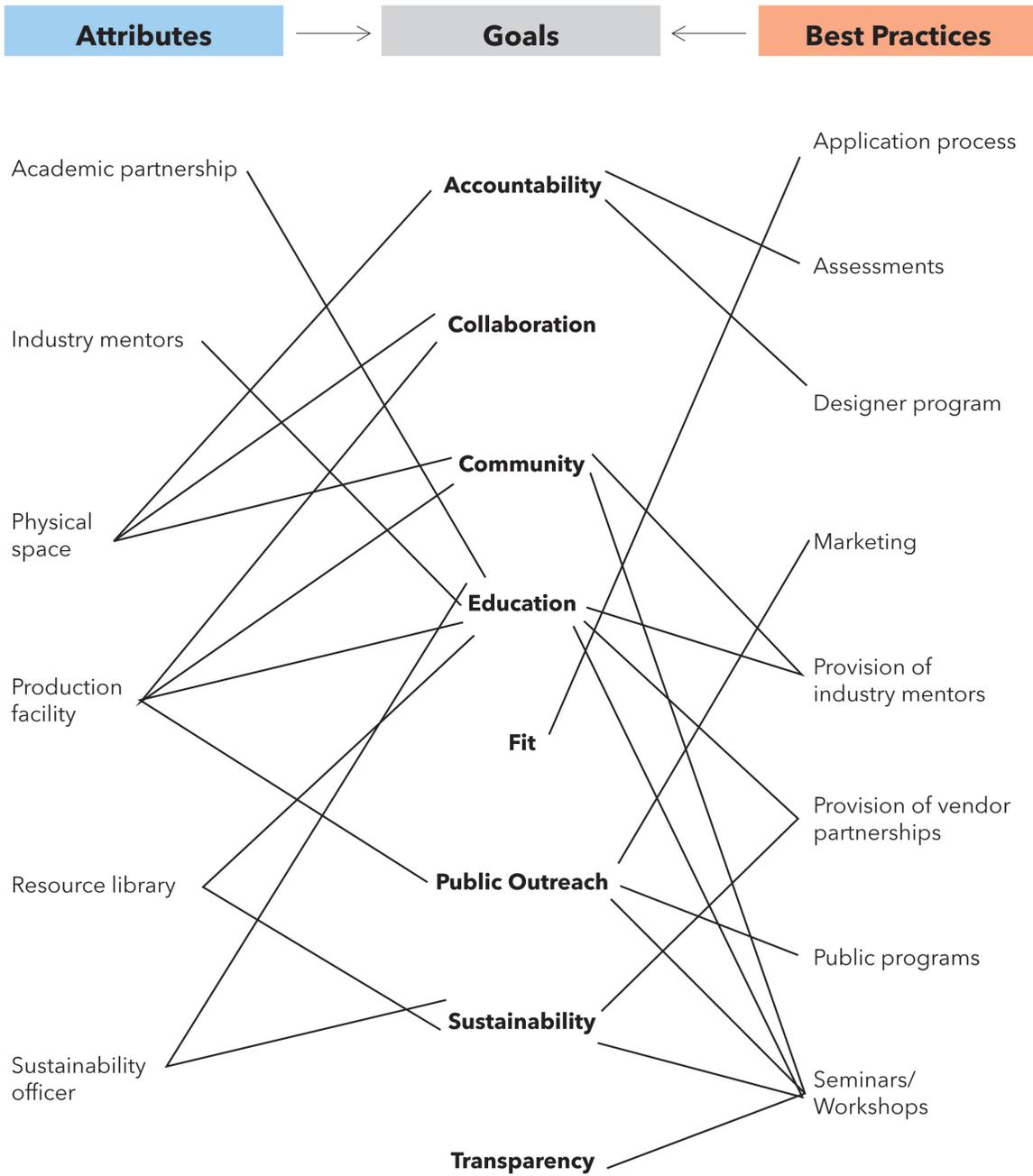


Figure 2. Interaction between Incubator Goals, Attributes, and Best Practices

## **Chapter 5: Conclusions, Recommendations, Limitations, and Future Research**

### **Conclusions**

The purpose of this study was to explore fashion incubators and identify determinants of success and best practices. Three research objectives were stated to fulfill the overarching purpose of the study. Data collected through depth interviews was utilized to address the three research objectives as follows: RO1: Identify key goals of constituents of fashion incubators, RO2: Identify attributes of incubators which enable constituents to achieve these goals, and RO3: Characterize best practices of U.S. fashion incubators in terms of key constituents.

#### **RO1: Identify key goals of constituents of fashion incubators.**

Content analysis was used with depth interview data taken from Directors and Clients (N=6) in order to answer the first research objective. Eight themes emerged as goals: accountability, collaboration, community, education, fit, public outreach, sustainability, and transparency. Education emerged as the most important goal overall, since it maintained high importance in Incubators B (38.8% frequency) and C (62.0% frequency), and moderate importance in Incubator A (15.2% frequency). Education was the goal that all had in common and maintained moderate to high levels of importance. The likely reason for education being valued as a goal for incubators is that it was a significant need that was recognized among the Clients. As a new business there was a some level of knowledge that needed to be gained in different areas such as financial, business planning, negotiation, etc. Additional types of knowledge that could be gained were skill-based (e.g. draping or garment construction).

The results also suggest that accountability, collaboration, and transparency only represented a minor contribution to goals overall, and were only mentioned for Incubator A. The remaining goals were held at some level of importance for all incubators investigated (N=3).

Goals often emerged in mission statements of incubators, since mission statements often set the standard for everything a business does. Goals were able to drive further analysis to accomplish the subsequent research objectives. By identifying goal themes, the researcher was able to uncover the underlying drivers of accomplishing those goals.

**RO2: Identify attributes of incubators which enable constituents to achieve these goals.**

Attributes of incubators were identified through content analysis of the interview data as they emerged in relation to goals (RO1). Attributes that resulted from the interview data were primarily tangible in nature, such as physical facilities and human resources. Specifically, incubator attributes included the following: academic partnership, industry mentors, physical space, production facility, a resource library, and sustainability officer. Note that this exhaustive list is a summation of attributes that emerged across all three incubators. Therefore, the three incubators reported different combinations of attributes within the interview data.

Incubator A reported all of these attributes, while the other two incubators reported different combinations offered to align with their values and the needs of their Clients. For example, Incubator C interview data continually emphasized providing ‘resources.’ Providing all necessary resources was the most important to incubator C, so their attributes aligned with this principle. Their attributes excluded academic partnerships and a sustainability officer which were firstly, specific to Incubator A, and secondly, active provisions. Industry mentors, physical space, production facility, and a resource library are inactive provisions, which are utilized by Clients. Incubator B provided the least attributes, and therefore resources, for their clients. This was likely due to the emphasis on education, and the design of their program. Incubator B focused on business education, and designers having a space to do their own work. Incubator B

did not emphasize a need for production on any scale. Incubator B did, however, provide referrals to production facilities when needed.

**RO3: Characterize best practices of U.S. fashion incubators in terms of key constituents.**

Best practices of fashion incubators were characterized once goals and attributes were established. Best practices emerged as active efforts that incubators undertook to achieve goals outlined by their mission and that fulfilled needs of Clients. Best practices that resulted are a combined list of all the best practices, which were found to significantly contribute to goals. Best practices included: an application process, assessments, a designer program, marketing, provision of industry mentors, provision of vendor partnerships, public programs, and seminars/workshops. Note that provision of industry mentors and industry mentors are included as a result in best practices and attributes, respectively. This is to distinguish the action of building relationships with industry mentors in order to provide them as a resource for Clients. This overlap between attributes and best practices is not uncommon. However, this research does not further address the overlap and interrelationships between best practices in attributes. It follows, however, that when businesses actively engage in a best practice, it will inevitably affect both goals and attributes. Some attributes only exist within the incubator due to certain practices (e.g. provision of industry mentors (best practice), and industry mentors (attribute)).

**Recommendations**

Recommendations are provided for both Directors and Clients based on the results of the study. Recommendations for constituents are presented based on the results and researcher analysis of the data, however, due to the nature of the study these are not necessarily meant to be

generalized. After evaluating individual constituent values and needs, recommendations can be applied as incubator constituents see fit.

### **Recommendations for Directors.**

- **Develop an application process that involves both online/basic application and a face-to-face interview process**
  - The interview process was an integral part of achieving fit. Fit should be a goal for any incubator. Fit allows the incubator to use resources as wisely as possible, and to create a strong community of entrepreneurs to challenge and collaborate with each other. Achieving a good fit with Clients creates a positive work environment both for Directors and Clients. It is worth noting, however, that any business has some level of attrition and providing a curated interview process for individual incubator needs will not guarantee optimal use of resources, and success for both the Client and incubator. A variety of reasons can arise which make it necessary for Clients to discontinue a business.
- **If the incubator has a specific topical focus, the incubator should provide a Director, officer or other manager role to oversee that focus.**
  - It is well documented in the literature that businesses with specific foci dedicate certain personnel and experts to oversee those focused efforts (Strand, 2014). Literature also suggests that the leaders in the organization have the ability to impact organizational outcomes (Hambrick and Mason 1984; Hambrick, 2007; Pettigrew, 1992). Incubators are no different. As clearly found in the results, the provision of a manger dedicated to a specific role, allows focused efforts to achieve a goal (e.g. sustainability with a sustainability director). These directors/officers should also

continue growing their expertise in order to remain effective, since their experience and expertise drive business outcomes and allow them to be effective in their roles (Carpenter, Geletkanyez, and Sanders, 2004).

- **Create a mission statement**

- This recommendation may appear obvious, but each incubator created a mission statement which was the guiding basis for everything the incubator does. Mission statements provide the framework for which goals are set and can aid in guiding work within a business (Braun et. al. 2012). Not only should the incubator create a mission statement to be effective, but make sure that it is followed by the leadership as a guideline for everything in the incubator. Note, mission statements can be as general or subjective as needed, but leadership should discuss and build the mission statement together based on the vision of the incubator and ultimate goals and needs of potential Clients.

- **Assessments should be implemented to track progress**

- Whether the designer program offered by the incubator is structured or not, the incubator should provide some sort of assessment to benchmark progress and track goal completion by Clients. Assessments can also offer valuable feedback for Directors that may reveal Client needs not already addressed.

### **Client Recommendations.**

- **Clients should evaluate the Directors and incubator fit**

- As important as it is for Directors to evaluate if Clients will fit into the incubator community, Clients should also evaluate the incubator. A face-to-face interview process as part of entry is a good indicator that fit is a priority for the incubator,

and gives the potential Client the opportunity to assess whether the incubator is the right place for them.

- **Clients should be transparent about their business finances**
  - In order to have the best match between potential Client and incubator, it is important for Clients to disclose all necessary and required business information as appropriate. Disclosing honest information about the business will help incubators better assess a potential Client, and have a sound basis for making recommendations to a potential Client. Data collected suggests the importance of Clients knowing their own business and where they stand; this information is valuable so that the incubator can meet the needs of the potential Client on an individual basis.
- **Clients should consider their skill set and what is necessary for their business in order to choose an appropriate incubator**
  - If Clients are comfortable producing their own product, that Client will have different service needs in comparison to a Client who has enough business to purchase production. These types of considerations can dictate what services are necessary (e.g. if a Client doesn't have business planning knowledge, look for an incubator that may offer a class or mentor specific to that).

## **Limitations Of Research**

### **Subjective analysis.**

Though the analysis of the data followed the guidelines of content analysis and qualitative research design, the potential for subjectivity in this study is recognized. Efforts to generate reliable data through recording, transcription and verbatim content analysis were

undertaken, however additional researcher perspectives could strengthen the potential generalizability of our findings.

### **Sample size.**

Sample size was one of the constraining factors in this study. This research utilized six in-depth interviews, including three Directors and three Clients. The initial design was to have one Director at each incubator to represent the incubator and three Clients to represent a range of Client perspectives. However, due to lack of responsiveness from incubator Clients, and despite several attempts to reach out to contacts, only three Clients were acquired and all of these respondents were from Incubator A. This was a limitation of the research in terms of Client perspective, since all Clients (N=3) came from a single incubator. Therefore, it is important to note that the Client perspective could be quite different in the other incubator models.

### **Timing**

Timing also had an impact on the availability of interviewees as well as their responsiveness. Interviews and research was conducted in the winter season, and a busy time during the fashion cycle. Incubator B also had a fashion week during the proposed interview times, and Incubator C had just moved to a new facility. Timing had and will continue to have an impact on similar studies and should be considered when approaching fashion industry personnel for interviews.

### **Future Research**

#### **Different types of comparison/categorization.**

Options for future research include comparing incubators based on different methods of categorization. As research continues in this field, other categorizations may emerge that carry meaning and represent clear divides among incubators. The comparison used in this study was

based on the source of funding. This provided a clear and simple way to distinguish among fashion incubators, since all incubators must have a funding source. Future research could investigate differences among services provided, or use a sample of only academically funded fashion incubators and find a sub-category of comparison, etc. The possibilities are numerous for this consideration in research design.

### **Novelty.**

The main reason and opportunity for further research is that fashion incubators are new and emerging businesses. There are a plethora of areas for future research regarding fashion incubators due to fashion incubators being fairly new. New emerging institutions such as these have yet to be studied, and this study is a small sample exploratory study. This particular study provided depth of information rather than breadth. To expand our understanding of fashion incubators, the breadth of sampling should be increased to include additional structural models.

### **Success**

As incubators achieve longevity, and there is more published research on the topic, new areas of research can begin to focus more specifically on success measures. This study has provided some preliminary results in terms of what incubators value and contributes to success. Future research could address how, particularly, success is defined by Clients and Directors, and what measures they usually use to compare against. This study has provided exploratory results based on the assumption that achieving particular goals means an incubator and its Clients are successful. Future research has the opportunity to expand on research using goals as benchmarks, as well as using other parameters for success.

### **Community impact.**

One constituent that was not addressed in this study that could be researched in the future is the outside community. Much of the literature regarding business development and general business incubators focused on the community and economic development component. Future research could measure the impact of fashion incubators and also seek to provide new ways to measure that impact on the economic and community development.

### **Longitudinal research on Client success.**

Future research could address Client success measures by tracking Clients overtime. A longitudinal study would reveal the effects of business incubation over time. While Clients may feel that they are successful or achieving goals throughout the duration of their incubator program, success could be more readily proven by comparing the business stages before, during, and after incubation. This type of research would be able to incorporate many different components of future research listed above, (i.e. could utilize different categorizations or structural models to divide research groups). Longitudinal research on Clients would provide a more complete picture of the benefits Clients can gain or do gain from incubation.

### **Effects of resources on Directors and Clients.**

It was clear in the results that resources, whether tangible or intangible, were vital to achieving different goals. One area of future research would be to focus on the effects of resources on Directors and Clients. This research could focus on particular resources already identified, or may uncover other resources through further research. Investigation of direct relationships between resources and real benefits to Directors or Clients could further guide the smart structuring of new incubator programs.

## REFERENCES

- About us. (2016). Retrieved from <https://www.inbia.org/about/about-us>
- Adkins, D., Sherman, H. and Yost, C. (2002). Incubating in rural area: Challenges and keys to success. Athens OH: NBIA Publications.
- Albert, P., & Gaynor, L. (2001). Incubators - growing up, moving out: A review of the literature. *ARPENT: Annual Review of Progress in Entrepreneurship*, 1, 158.
- Allen, David N. 1985. An entrepreneurial marriage: business incubators. Paper read at Proceedings of the Fifth Annual Babson College Entrepreneurship Research Conference, at Wellesley, MA.
- Allen, D. N. (1988). Business incubator life cycles. *Economic Development Quarterly*, 2(1), 19.
- Allen, D. N., & Rahman, S. (1985). Small business incubators: A positive environment for entrepreneurship. *Journal of Small Business Management*, 23, 12.
- AL-Mubarak, Hanadi Mubarak, Busler, Michael, (2014) "Incubator successes: Lessons learned from successful incubators towards the twenty-first century", *World Journal of Science, Technology and Sustainable Development*, Vol. 11 Iss: 1, pp.44 – 52.
- Al-Mubarak, H. M., Muhammad, A. H., & Busler, M. (2015). Categories of incubator success: A case study of three New York incubator programmes. *World Journal of Science, Technology and Sustainable Development*, 12(1), 2.
- Apparel and footwear in the US: Industry overview*. (2015). (Market Report). Euromonitor International.

- Bearse, P. (1998). A question of evaluation: NBIA's impact assessment of business incubators. *Economic Development Quarterly*, 11(4), 322.
- Beckett, K. (2012, Sept 30, 2012). 25 years of what they need to know. *The New York Times*.
- Bednarzik, R. W. (2000). The role of entrepreneurship in U.S. and European job growth. *Monthly Labor Review*, (July), 3.
- Bergek, A., & Norman, C. (2008). Incubator best practice: A framework. *Technovation*, 28(1-2), 20-28. doi:<http://dx.doi.org/prox.lib.ncsu.edu/10.1016/j.technovation.2007.07.008>
- Bigliardi, B., Dormino, A.I., Nosella, A., and Petroni, G. (2006). Assessing science parks' performances: Directions from selected Italian case studies. *Technovation*, 26, 489-505.
- Bortolot, L. (2015). Incubators aren't only for tech startups. *Entrepreneur*, doi:24 May 2015.
- Bowman-Upton, N., Seaman, S. L., & Sexton, D. L. (1989). Innovation evaluation programs: Do they help the inventors? *Journal of Small Business Management*, 27(3), 23. Retrieved from <http://search.proquest.com/docview/220997728?accountid=12725>
- Branstad, A. (2010). A study of management tasks and stakeholders in a hybrid corporate incubator. *European Journal of Innovation Management*, 13(3), 294.
- Braun, S., Wesche, J. S., Frey, D., Weisweiler, S., & Peus, C. (2012). Effectiveness of mission statements in organizations - A review. *Journal of Management and Organization*, 18(4), 430-444. Retrieved from <http://search.proquest.com/docview/1267124593?accountid=12725>
- Brooks Jr., O. (1986). Economic development through entrepreneurship: Incubators and the incubation process. *Economic Development Review*, 4(2), 24. Retrieved from <http://search.ebscohost.com/login.aspx?direct=true&db=bth&AN=7354262&site=ehost-live&scope=site>

Business Incubation FAQs. (2015). Retrieved from <http://www.nbia.org/resources/business-incubation-faq>

Campbell, Candace, & Allen, David N. (1987). The small business incubator industry: Micro-level economic development. *Economic Development Quarterly*, 1(2), 178-191.

Carpenter, M. A., Geletkanycz, M. A., & Sanders, W. G. (2004). Upper echelons research revisited: Antecedents, elements, and consequences of top management team composition. *Journal of Management*, 30(6), 749-778.  
doi:<http://dx.doi.org/10.1016/j.jm.2004.06.001>

*Commerce & Affairs*. (1985). *Starting a Small Business Incubator: A Handbook for Sponsors and Developers*. Illinois Department of Commerce and Community Affairs. Retrieved from <https://books.google.com/books?id=a0OsjgEACAAJ>

Dilts, D., & Hackett, S. (2004). A systematic review of business incubation research. *Journal of Technology Transfer*, 29, 55-82. doi:7/2/15

Ernst & Young. (2014). *Adapting and evolving: Global venture capital insights and trends 2014*. EYGM Limited.

Essig, L. (2014). Ownership, failure, and experience: Goals and evaluation metrics of university-based arts venture incubators. *Entrepreneurship Research Journal*, 4(1), 117-135.  
doi:10.1515/erj-2013-0037

Full Committee Hearing on Business Incubators and Their Role in Job Creation: Hearing before the Committee on Small Business, House of Representatives, 111<sup>th</sup> Cong. 1 (2010). (Testimony of Dr. David A. Lewis, and David D. Monkman).

Hambrick, D. C. (2007). Upper echelons theory: An update. *The Academy of Management Review*, 32(2), 334-343. doi:10.2307/20159303

- Hambrick, D. C., & Mason, P. A. (1984). Upper echelons: The organization as a reflection of its top managers. *Academy of Management. The Academy of Management Review (Pre-1986)*, 9(000002), 193. Retrieved from <http://search.proquest.com/docview/229996981?accountid=12725>
- Harvey, N. (2013). Sustaining Johannesburg's fashion design incubators: The role of fashion design education. *Design Education Forum of Southern Africa*, 110.
- Hwang, V. W. (2012), A startup incubator for...fashion designers? *Forbes*.
- Incubator. 2016. In *Oxford Dictionaries.com*. Retrieved March 14, 2016, from [http://www.oxforddictionaries.com/us/definition/american\\_english/incubator](http://www.oxforddictionaries.com/us/definition/american_english/incubator)
- King, Jeffrey M. And Allen, David N. (1985). Public and private approaches for developing small business incubators. *Small Business in the Entrepreneurial Era: Proceedings of the 30<sup>th</sup> World Conference of the International Council for Small Business*. 392.
- Kilcrease, K. M. (2011). Multi-factor assessment of service delivery in business incubators: Perspectives from incubator tenants. *Journal of Applied Management and Entrepreneurship*, 16(2), 80.
- Kuratko, D. F., & LaFollette, W. R. (1987). Small business incubators for local economic development. *Economic Development Review*, 5(2), 49. Retrieved from <http://search.proquest.com/docview/230070591?accountid=12725>
- Lee, J. (2015). NBIA is now InBIA – the international business innovation association. Retrieved from <https://www.inbia.org/about/press-releases/2015/09/08/nbia-is-now-inbia-the-international-business-innovation-association>
- Lewis, D. A., & Edward, J. (2001). *Does technology incubation work: A critical review*. Economic Development Administration, US Department of Commerce USA.

- Mian, S. A. (1996). Assessing value-added contributions of university technology business incubators to tenant firms. *Research Policy*, 25, 325.
- Mitra, S. (2013). The problems with incubators, and how to solve them. *Harvard Business Review*, Retrieved from <https://hbr.org/2013/08/the-problems-with-incubators-a>
- Nelson, B. (2012), The real definition of entrepreneur---and why it matters. *Forbes*.
- O'Neal, T. (2005). Evolving a successful university-based incubator: Lessons learned from the UCF technology incubator. *Engineering Management Journal*, 17(3), 11-25.
- Pasquarelli, A. (2015). Fashion incubators reverse material losses. *Crain's New York*.
- Peters, L., Rice, M., & Sundararajan, M. (2004). The role of incubators in the entrepreneurial process. *The Journal of Technology Transfer*, 29(1), 83.
- Pettigrew, A. M. (1992). On studying managerial elites. *Strategic Management Journal (1986-1998)*, 13, 163. Retrieved from <http://search.proquest.com/docview/231182653?accountid=12725>
- Qian, H., Haynes, K. E., & Riggle, J. D. (2011). Incubation push or business pull? Investigating the geography of U.S. business incubators. *Economic Development Quarterly*, 25(1), 79.
- Reed, D. (1991). Incubator program: Factors in a profile of success. *Journal of Business and Entrepreneurship*, 3(1), 61-0\_7.
- Riessman, C. K. (2008). In Cuevas Shaw L., Knight V. and Connelly S. (Eds.), *Narrative methods for the human sciences* (1st ed.). Los Angeles: Sage Publications.
- Scheirer, M.A., Nieva, V.; Gaertner, G.; Newman, P.; and Ramsey, V. (1985). Innovation and Enterprise: A Study of NSF's Innovation Centres Program. Report prepared for the National Science Foundation. December.

Sherman, H. (1999). Assessing the intervention effectiveness of business incubation programs on new business start-ups. *Journal of Developmental Entrepreneurship*, 4 (2) (1999), pp. 117–133.

Sherman, H., & Chappell, D. S. (1998). Methodological challenges in evaluating business incubator outcomes. *Economic Development Quarterly*, 12(4), 313-321.

Simoes, AJG, & Hidalgo, CA. (2011). *The Economic Complexity Observatory: An Analytical Tool for Understanding the Dynamics of Economic Development*. Workshops at the Twenty-Fifth AAAI Conference on Artificial Intelligence.

Slaper, T. F. (2011). The triple bottom line: What is it and how does it work? *Indiana Business Review*, (Spring 2011), 4.

Smilor, R. (1987). Managing the incubator system: Critical success factors to accelerate new company development. *IEEE Transactions on Engineering Management*, 34(3).

Smilor, R.W., Gill, M.D., 1986. *The New Business Incubator-Linking Talent, Technology, Capital and Know-How*. Lexington Books, MA, Massachusetts, Toronto.

*Spotlight on statistics: Fashion*. (2012). (Labor Report). U.S. Department of Labor.

Strand, R. (2014). Strategic leadership of corporate sustainability. *Journal of Business Ethics*, 123(4), 687-706. doi:10.1007/s10551-013-2017-3

Swierczek, F. W. (1992). Strategies for business innovation: Evaluating the prospects of incubation in Thailand. *Technovation*, 12(8), 521-533. doi:http://dx.doi.org/10.1016/0166-4972(92)90075-S

Temali, Mehailo, and Campbell, Candace. 1984. *Business Incubator Profiles: A National Survey*. Report Prepared for the Hubert H. Humphrey Institute of Public Affairs, University of Minnesota, Minneapolis, MN.

TFI: Toronto fashion incubator. (2016). Retrieved from <http://www.fashionincubator.com/>

Theodorakopoulos, N., Kakabadse, N.K., & McGowan, C. (2014). What matters in business incubation? A literature review and a suggestion for situated theorising. *Journal of Small Business and Enterprise Development*, 21(4), 602.

Voisey, P., Gornall, L., Jones, P., & Thomas, B. (2006). The measurement of success in a business incubation project. *Journal of Small Business Enterprise Development*, 13(3), 454-468. doi:10.1108/14626000610680307

## Glossary

**Accountability**-The ability of the incubator environment to provide appropriate pressure on Clients to achieve their goals and to hold them accountable to themselves and the incubator community.

**Clients**-Represent designers that utilize the incubator and participate in their respective incubator's designer program, which excludes members of the incubator who simply rent space.

**Collaboration**-Occurs when two or more parties work together to create and/or share ideas.

**Community**-The internal community of the incubator, which was fostered by the Directors as well as the Clients in the programs.

**Designer Program**-Programs for clients that last typically from 1-3 years and provide needed structure and may incorporate curriculum for professional and creative development.

**Directors** -Assume a managerial role and act as a resource for designers in the incubator; they also serve as representatives of the incubator to the outside community.

**Education**-Efforts to impart knowledge and practical skills related to business development in the Client's industry.

**Fit**-Characterized as the agreement of goals and vision between potential Clients and the incubator.

**Public Outreach**-Emphasizes a focus on the external community, community development through economic development, and/or marketing the incubator itself to others in the external community.

**Sustainability** -Pertained not only to 'being green' with the reuse and recycling of materials and use of natural materials in products, but also considered the economic and social sustainability of companies.

**Transparency**-The practice of honest communication of a company with their consumer, and sharing information about the business openly.

*APPENDICES*

## Appendix A

### Questions Asked to Clients

1. From your perspective what are the goals/objectives of this incubator?
2. How do you believe those goals are being met?
3. Do your goals differ from the incubator? or what are your goals specific to you and your business? Have these changed over the course of your time from starting? or from starting the incubator program?
4. How long have you been in the incubator?
5. What made you decide to participate in an incubation program?
6. How do you feel you've developed as a business and/or entrepreneur while in the incubator?
7. What benefits do you think you've received by being in the incubator program?
8. Do you believe the incubator has made you more successful?
  - a. How? What does that mean?
9. Have you ever been assessed during your time in the program? How/What form did that take? Did you see the results?
10. What kinds of services do you use the most at the incubator?
11. What does the incubator lack, if anything, that you think would help your business?
12. Is there a timeline set out for your work or business development? Who determines and evaluates it?
13. Would you have started your business without the incubator?
14. When did you start your business?
15. What do you think is the most important thing that you have gained from this incubator?

### Questions Asked to Directors

1. Does the incubator have a set mission statement? What is it and how was it created?
2. Who were the parties primarily involved in determining the organization of the incubator?
3. Describe the process for admitting/selection of designers/client firms?
4. What are the goals of the incubator program?
5. How is the program meeting those goals?
6. Describe your position's relationship with the client firms.
7. How is the incubator funded?
8. What kinds of services are provided?
9. Is there anything in the incubator that is restricted to only certain client firms' use?
10. Is there a specific path each firm must follow? What is the general program set-up for firms?
11. Have you participated in a program assessment?
12. What form did that assessment take?
13. Were the results of the assessment shared with you?
14. Do you receive feedback from client firms? In what form?
15. Do you take an active-role in business development and consulting with firms? If not, whom does that responsibility fall to?

## Appendix B

### Incubator A – Director

*Researcher:* So can you tell me just a little bit of an introduction of how the incubator's funded

*Director:* So the initial funding came partially from Pratt, partially from grants from the city and state. And they were all for different purposes so one was for equipment one was for operations and space and so now we're looking at further funding and grants from other sources but we are also generating our own revenue yeah.

*Researcher:* And how to do you generate revenue?

*Director:* Well one through the production room, through the rental spaces, programming so we have classes as well as to outside individuals.... and events, event rentals or space rentals for events.

*Researcher:* Ok

*Director:* yeah

*Researcher:* yeah that's really nice to have that

*Director:* Yeah

*Researcher:* So what who's primarily involved in determining the organization of how things run here, is that influenced by Pratt? Or is that...

*Director:* To a certain degree but it's primarily our exec director and our director team  
Directors

*Researcher:* And can you go over the process for admitting or selecting designers?

*Director:* Yeah so it's a three step process first there's a questionnaire online or application online and we ask that the design companies be somewhat established so be a year in business or have a solid base of understanding of the industry, whether that's fashion or home goods or interiors after the application has been approved so the application is reviewed by all of the mentor team. and once that's approved and goes through to the next level there's an in person, oh sorry - there's a phone interview with our managing director, and then there's an in person---once that's also approved ---there's an in person interview with at least two of our mentorship team plus our managing director and after that if we're certain that we think they're a good fit what we do is a deeper dive into their business with the other two of the mentors, so not the same people that were in the interview. And we really kind of dig deeper into any problems that may have come up during the interviews or questions that we may have and then a deeper dive into their sustainability mission, or potential sustainability strategies as well as their business model and their marketing strategies. So at that point generally designers are in the door.

*Researcher:* right

*Director:* Yeah, and it's just really a way to get to know them better but also to see if any kind of huge red flags come up which hasn't happened, but it's also a good way for them to ask us about the program. Oh sorry, in the interview we also have a current venture fellow. so that if they have any questions about the VF experience they can ask it to the venture fellow themselves and not get it secondhand from us

*Researcher:* Ok

*Director:* Yeah

K: So, sustainability has to be a core...

*Director:* Has to be a core mission so we're very broad in the way we define sustainability, of course it's anything encompassed on this wheel (*referencing sustainability wheel*) but we're open to how designers define it as long as it's a legitimate and legitimate path to sustainability and coming from a genuine place, and we don't feel that's it's green washing or just sort of for marketing purposes. Yeah

*Researcher:* so does the incubator have a set mission statement? Like I know obviously sustainability's kind of one of your core tenants. Is there anything else that you've laid out ahead of time that you want everybody to...

*Director:* it does, I don't know it by heart...I have a feeling it's on our website so that would be the best place to look for it.

*Researcher:* well you can just tell me about the general mission overall, if you have set values

*Director:* well so yeah here's our core kind of brief mission statement. Is the [REDACTED] fashion and design accelerator is a hub for ethical fashion and design that provides that provides designers with the resources they need to transform their ideas into successful businesses. And I think that pretty much encompasses everything. you know obviously the ethical fashion and design is very very very broadly defined and is the reason why we started building is digital tool is to help people in general understand the landscape because it's so vast and so varied and so easily misunderstood

K: this is based on research?

*Director:* we are publishing it yeah it's based on several years of research (*referencing sustainability wheel here*)

K: yeah

*Director:* so we will be launching it this year

*Researcher:* yeah

K: sorry to interrupt, I wanted to ask this but when you say the transform into successful business do you deal at all with marketing and distribution, like the retail or for advertising and social media

*Director:* we don't do it but we have mentors who help guide them, because everybody we have such varied businesses that. --- And that's what we were talking about the showroom -- it actually didn't make sense to have a showroom bc of the variety of businesses that we have they weren't cohesive enough to have a showroom that would attract similar buyers and so we help them with sales and marketing strategies but each of them is so it's really a tailored fit for each as to what strategies they should adopt so it didn't make sense to sort of create one that helped encompass everybody cause it wasn't possible

K: right

*Director:* yeah

*Researcher:* so do you have people that you said you're talking about strategies but do you have do the mentors I mean they must have connections to like trade shows, Absolutely to trade shows to direct showrooms, and sales reps, buyers, that kind of thing yeah, and more importantly they can give you tools of how to approach someone with a cold call or --

*Researcher:* yeah

*Director:* --- yeah

K: we're just about to hold an event that we for women entrepreneurs how to work with a business card first thing everybody said everybody knows how to use a business card I mean nobody knows how to use a business -0- you know -- what do you do with it how do you take notes on it what do you do after you've taken it -- there's this whole strategy of networking and business card exchange

*Director:* I need to take this class I don't know what to do with a business card

K: well she's' also giving a talk this is one of our? She has a ...called coverage cocktail (?) based in Chapel Hill and she interviews women who faced? And overcome it and have given back to society and she's also talking about phone calls, and how to do pitch videos, the 90 second pitch video, all of which at the outset well I know how to make a phone call but there's this whole art...? I'll send you the link

*Director:* yeah

*Researcher:* so next thing I want to talk about, incubator goals, are there any set things either that are short term goals or long term goals that you guys are --

*Director:* both, we don't outline them we ask the VFs to define their own goals everybody kind of defines success differently so at the very beginning of their coming on board we ask that they define their goals as well as their definition of success, so that we can understand how to help them get there. Because some want to be 5 billion dollar companies and other just want to you know produce two collections a year and be happy but with their current sales so yeah so it really depends on how they define success  
We do want to see company growth though

*Researcher:* right

You know no matter what that is

K: for the people who do just want to have this low key approach  
mhmm

K: and then I'm not trying to be rude, how do they expect to survive?

*Director:* well they have to outline and calculate what their survival rate is and how much it costs them to survive and then work backwards from there. So we're not. -- -They may want to be a small company, which is fine, but there still is a minim you need to survive for everybody that's different

K: because if you're giving space to somebody--

*Director:* so they're paying for the space  
They're renting the space but still for you to give up the physical space that company you don't want them to fold after six months

*Director:* no exactly

K: yeah

*Director:* myeah we want success

*Researcher:* and then can you just go over quickly again I know you talked about some of the services you provide, but just so that we have it for the record

*Director:* yeah for the venture fellows?

*Researcher:* yeah

*Director:* so the venture fellows they have access to mentors in sales and marketing, financials, and sustainability, the mentorship team has four people on it at the moment. Those mentors have weekly office hours the venture fellows can make appointments with them every week. And then, we do quarterly reviews with them as well

Ok

And then they get monthly review with their managing director

Ok what are those quarterly reviews look like? What kind of things?

So the quarterly reviews are mainly focused on yearly goals and quarterly goals and so we ask them to outline those goals ahead of time and then we review the goals from the previous quarter to see if they've been met, why they haven't been met if they haven't and what we can do to help them meet those goals and then outline further goals for the next quarter

Ok do these often take are they measureable >like I'm sure there's something to do with profit or how much they're turning out, but are there kind of subjective things? That they measure as well? Like personal development or does it all fall into

*Director:* oh yeah no there's definitely some personal goals in there as well personal and professional development whether its hiring an employee or training understanding how to train an intern things like that you know there not just financial goals certainly a lot of the times especially within the sustainability strategies we see that the goals are either understanding supply chain better or learning how to communicate their existing supply chain with their customers which is a really great goal because it's one we can tackle pretty easily

*Researcher:* right.

K: do you require them all to keep QuickBooks or anything like that?

*Director:* we don't require that we suggest that they have a format QuickBooks is one of them but whatever they're most comfortable with. Yeah but yes we definitely prefer that they have something

*Researcher:* so is there a set path, I know the program is two years, but is there anything else that's kind of specifically set out for them to do or once they're in is it pretty open?

*Director:* it's pretty open besides the quarterly reviews and the monthly check-ins and then we have an annual retreat which we're having next Monday for everybody and the retreats we bring in keynote speakers who talk about specific subjects so for example the one this year is focused primarily on marketing sales, and ecommerce, but we change it every year. So yeah we bring in keynote speaker and we also coordinate workshops and we invite the venture fellows to talk about the to share things that they've learned and so we based on what we curate so we ask them to come and speak about specific things that we feel they're doing well that they can share with the group often time that involves some kind of resource sharing as well whether it's part of network or a file a digital file that they use that helps them manage their business or keep track of sales things like that.

*Researcher:* and again kind of the assessment question, are there any programs assessment for the incubator overall not just the venture fellows? As an organization?

*Director:* yeah we gather metrics I think twice a fiscal year, if I'm not mistaken, and that involves not only our growth as an incubator, being the business, so you know what our revenue is and our personal growth, but also the growth of the venture fellows businesses as a whole, so how many employees have they employed in the last year, last six months, how much they're total financial growth has increased hopefully not decreased, but in the past it's

been always increased. I think there's another metric that we try to document too, I can't remember what the third one was, but I know its employees, new employees part time employees and financial growth.

Yeah

K: do you keep as close an eye the people who are just members, like do they have to sign for part?

Director: no so the members shift (?) month-to-month they have full time access to the space, but they don't have access to as many of the services, yeah

K: so you mean open 24 hours?

Director: 24 hours the space is open 24 hours and they have swipe card access. Certain parts of the space are locked, so the production room is locked, no one has access to that unless we're working, that's it actually that's it that's the only space that's locked

K: but basically members can sign up and have the space.

Director: there might be actually membership I'm not I don't know too much about the membership program but I know it's outlined on the website if you want to look there.

Ok

Director: yeah there may be kind of a contract

Researcher: do they use any of your production facilities or is that only for your venture fellows?

Director: no. Well the production facility is accessible to any designer not even just people in the space, so we work with a lot of ---yeah- - and when you say use it you would come and employ us to do production for you so

Researcher: right ok

Researcher: do you do a lot of sampling I mean for designers here?

Director: yeah our customer base is probably about 50% venture fellow member and 50% outside designers. So it depends on the time of year but it fluctuates.

Researcher: and back to the assessment, you talked about employees you've hired, everything is measured by you all? Or do you have anyone from outside the incubator come in?

Director: No. But the person who does the assessment is actually one of our mentors who are an outside contract. So he's not an in-house full time.

Researcher: and do you have a system for giving feedback to venture fellows or other clients like members?

Director: during the members I'm not sure, but venture fellows during the monthly reviews with our managing director there's a portion of that review that is feedback or comments. Yeah.

Researcher: ok. I think you probably answered this already, but do you personally or any of the other directors take an active role in business development and consulting with the firms? Or is that left to mentors?

Director: No. So, well the mentors. Yeah...I'm not sure. I'll answer the question cause I think ...I'll summarize how that part works and maybe it'll answer the question. So, our managing director is the person who has the monthly =check-ins with the venture fellows and that part is definitely active in business development. And if she is not able to answer their questions or help problem solve then she'll immediately direct them to either one of the mentors who can help or an outside source that might be able to help and then the office hours with the mentors are exclusively

mentor driven. So there's not -- she may have office hours, managing director may have office hours as well -- but I think the monthly check-ins are usually enough. Yeah.

*Researcher:* And then can you talk a little bit about your specific role? (Can't hear)

*Director:* yeah so I have two roles here, I run the cut-and-sew facility and production room -- which is in my mind kind of an external role because I deal with as many external designers or outside designers as I do venture fellows, but what that's translated to is for the venture fellows is for the production help so I answer production questions for them that they probably wouldn't have access to if they weren't in this space. Even if it's not production related to something we're doing here its production with their factory in midtown, or their factory in china or whatever. So we help them find and then this kind of translates over to the S-lab, which is the sustainability strategies lab, where I am one of the mentors. So we have two mentors in the s-lab and that's where I have office hours for the venture fellows and [inaudible] the quarterly check-ins. And so that mentorship is really helping them find fabrics, helping them understand the impact of those fabrics and processes like dyeing or treatments or you know any chemical impact water usage, that kind of thing. End of life...and compost ability or [inaudible]

*Researcher:* can you tell me a little bit about the venture fellows from your experience, when they come into the incubator how much they know about those types of things? Do a lot of them.

*Director:* it's really varied. And we're sort of all over the spectrum on that so we have some venture fellows that have come in that know their entire supply chain from top to bottom, with very very fine details, and then we have others who know nothing about it but who are very interested and maybe have more of a social justice perspective on their production or on you know there's social welfare or some kind of charity component to their -- like w donation component - or something to their business model which is why they might've fallen into the sustainability category. But, they want to know about their supply chain they just don't have access to that information

*Researcher:* right

*Director:* Yeah

*Researcher:* And would you say most of the clients that you have here, was their educational background in the industry, or is this something that a lot of them have just kind of...

*Director:* in the venture fellows I'd say maybe only half of them have a background in fashion or design. And then the others came from all over we have a lawyer, who turned into a clothing designer, graphic designer who turned into a web developer maybe that's not as much of a stretch but brought sustainability into it later on quite a few trained fashion and textile designers but not entirely [inaudible]

K: so with the production, was that when you started planning for this whole space, I'm seeing three things, the venture fellows program, member program, and then the cut and sew facility. And the knitwear. All of that. So were those sort of three pre-planned at the outset or is that something that evolved

*Director:* at the outset we originally intended to have the venture fellowship program which was a more elaborate kind of incubator because it does offer a lot more mentorship than most coworking spaces, even though it has a lot of the benefits of coworking spaces. Which is what the membership program essentially is

K: so coworking would benefit sort of the ---

*Director:* No, I think the venture fellowship is a lot more elaborate than that. I'd say the membership program is actually co-working with benefits, because there's a lot more benefits than just coworking spaces, but on the onset of when we started the bfda, we were really looking crating the venture fellowship program and the manufacturing facility, those were the two key components, the membership I think was always sort of intended but never really a huge component of it but we added that after we saw a large demand for it. And a lot of our members have either wanted to apply for fellowship but maybe are too early on in their business development because we do have that kind of one year business experience criteria that not everybody meets when they apply and so a lot of the

applications we get are just too young or too new and so we want them to have business or industry experience, we've made exceptions in the past, of course there's always exceptions, but it has only been for people who have an extensive amount of industry knowledge even if it's not for their own company and maybe a solid background in being or launching a business. But the manufacturing was really a key component because we know that it was really hard for emerging designers to have access to small run production at affordable prices. And in order to get to that next level of larger production, which would be you know 50 pieces 100 pieces and up which is easy to find in midtown. You really need to be able to find a place that can give you smaller runs

K: so your core business were the manufacturing production is 50 pieces or less

*Director:* Yeah per style

k: yeah, ok.that's really interesting caus on a slightly side note to what rachel's doing with looking at establishing a product development in raleigh and the two things that you mentioned we're actually focusing I think on the member part, like we really don't want to get into production ...of any kind really. Focused on working through the product [inaudible] so I think

*Director:* So as far as sampling for example?

K: Yeah

*Director:* That's very important component too.

K: Do you help people find fit models? For example?? Or do fittings with them?

m We do fittings of course; we don't help them find fit models, because we don't work with any modeling agencies, although that's not true...

k So they already have to have their core customer in line

m Oh yes they have to outline their core customer, understand who that is. We help make introductions so for example earlier this week we had a lunch and learn which is something that's available to not only venture fellows but members as well and those happen once or twice a month where we bring in industry professionals to give presentations on specific problems that we've outline within the entire fellowship community and usually they're sales or marketing focused, occasionally they have financial information. This one happened to be fitting with an expert on fit and finding understanding your target customer and identifying that and finding a fit model to be appropriate

*Researcher:* so you've really got also this education component

*Director:* of course yeah that's always a key component because we're funded by pratt, and it's just where we come from and why we started

K: and are you finding you have to advertise for people>?

*Director:* we haven't done any advertising yet. We do tours every other week so every other Thursday, and we offer tours to people who are interested

K: so you do some mixers as well?

*Director:* not mixers --- well that's not true sorry - we do every other month we have a rotating town hall meeting with the venture fellows where this is in the evening so it's almost like a happy hour town hall where they, we present something that's going on in the space and talk about the next month or two, sometimes we have one of the ventures present something that they're working on that we think is valid to the community because even though the spaces are very open, as you see, designers tend to and business people tend to be very kind of head in the sand with

their businesses so we want them to communicate but they don't always do it so openly unless we sort of make the connections and then on the opposite months so the alternating months we have a proper happy hour even though we don't call it that I don't remember what we call it now. And that's for members as well as venture fellows. And that's more of like a mingling social.

K; right

K: one of the things I've found in the research I've been doing for this entrepreneurship organization is that people want to talk to each other, but they're desperately trying to find someone just to chat with you know like make connections and just run common issues by and ...[inaudible]; can you expect the venture fellows to give back somewhat after they're done? Or..

*Director:* there's no expectation we sort of expect it while they're here. So we do expect some kind of sharing or openness transparency in their business. we don't want them only to be takers, but that's something we kind of look at during the interview process. so we gauge whether we think people are coming in exclusively to take information and be mentored and not give back or contribute to the community and if we think that's the case then oftentimes they won't get in.

*Researcher:* have you ever found I know it's fairly new, but have you ever had any companies collaborate on any projects?

*Director:* yeah we've had a lot of companies collaborate, an example is one of our knitwear designers is doing a collaboration with one of the menswear designers who have done knitwear before. well one of our members actually hired one of our venture fellow designers to design a capsule collection for her...what else...and one of our other venture fellows is i mean their whole business model is about collaboration and about helping designers tell their sustainability story, so they're by necessity collaborating with almost everyone.  
Yeah.

K: so could I - just going back to the very beginning like the birth of this whole entity...you said that there was ...you saw a need or there was a need not being met for this less than 50 per style was that based was it anecdotal had somebody done some research

*Director:* it started out as being anecdotal, but it's a well-known fact in the garment industry

K: that amazes me here of all places

*Director:* well it is an expensive feat. You know we're definitely subsidizing it to a certain degree now because it costs more to make smaller units. One sample is one sample, and you have all of the product development costs that go along with the R&D and trial and error and that kind of thing but when you get into small runs it costs almost as much to make 100 units as it does to make 20 units.

Right

Labor-wise, so you can understand why it would be more expensive

So is your pricing structure is that like a full package from - do they have to come to you with a full tech pack for example

Yes, we ask that they come with full tech pack and sketches, we have had customers come with completed patterns as well, so some of them don't need the patterns, some don't even need the samples. They just want production. But most come to use with just a sketch, and we walk them thru the process of completing a tech pack

Oh

Getting that done, we don't do it for them certainly, but we do tell them what we need and give them the templates of what we require as far as information. Yeah

Ok, and then do you - so they could even come to you with a hand drawn sketch

*Director:* yes as long as they have a solid idea of what they want they know what kind of fabric they need or they have the fabric already, they know what kind of finishing they want,

*Researcher:* do you help with sourcing fabrics, thru here or are people on their own in finding their materials

*Director:* people are on their own so they have to supply their fabric to the production room, if they're venture fellows then they can get help finding fabric, thru the weekly meetings, although we're kind of doing those all the time not just during set schedule. If they're outside clients, then we offer it as a consulting service. So some of them have taken us up on that and they want to come and be guided thru the library and ask for specific things, others we've just sent in the direction of fabric mills that we trust and like. Yeah.

K: so would you say that most of the designer are they doing fashion items, or are any of them doing more outerwear, or something that has more of a function to it, or is it mostly just everyday wearable,

It's all across the board so we have things from -- we don't do lingerie, or swim, or denim in the production room because those are specialty items...but we do pretty much everything else. Including knitwear, which is amazing because it's very hard to find that. But, our venture fellows are doing everything from home goods to casual apparel, to outerwear, full collections,

*Researcher:* do you see a need for expanding into some of those more specialty products? Or do you think..

*Director:* there's definitely a demand for it - I do get requests quite often, we're listed on etsy manufacturing site as well as maker's row, and the cfda resource... but it's not just the equipment it's also trained staff, and those people are hard to find. So, I don't see our growth going in that direction. Cause it's till not a majority of what it being demanded. Although it's certainly a niche. Oh we do have one new venture fellow who's doing swimwear as well, doing customized swimwear, and she just funded her first kickstarter campaign to launch her first swim product, so that's gonna be very interesting

*Researcher:* I assume there must be place in Manhattan that can produce swimwear already

*Director:* yeah, Manhattan and queens there's some swim and lingerie

K: I've thought of a fairly obvious questions, as far as best practices is what we're looking at, do you have a set of best practices that guide what you do or is it

*Director:* Do you mean as a mentorship team or for the venture fellows

I guess for any part of what you do here...is there a sort of set - this is how we do things. I mean I know there' sustainability kind of guiding

There's nothing outlined although it is sort of frequently checked in upon and so we're always kind of tweaking that. But there isn't anything that specifically...

*Researcher:* have you in your experience here since you started, have you found any methods that have helped more than others? Or specific things that you do that you see make a big impact on your venture fellows?

*Director:* yeah so seeing the hands on access to the outside community the lunch and learns and with the textile Tuesday events,

Textiles Tuesday is when we invite the monthly meetings with fabric mills, so those -- and those are open to members as well as the outside community -- they're free for venture fellows and members but paid for outside

people, it's a nominal fee anyway and it is great access to really good sustainable suppliers who maybe don't do the textile trade show and maybe don't have a showroom in NY, so they would be inaccessible otherwise,

K: so that's great for the vendors as well

*Director:* it's great for the vendors yeah.

K: set audience and vehicle...that's great

*Director:* so ordinarily we have between 10 and 30 people come to those meetings. and those are really great because they're not only hands on so you can actually see the product, but you can meet the makers essentially and learn about their supply chain and so there's a lot of open source information that comes out and our venture fellows are quite rigid with their questions about supply chain so they don't let anything slide. They'll ask some pretty tough questions. Which is great. I usually warn the vendors about that before so they understand where it's coming from

K: what is your [inaudible]

*Director:* I did know that it's been along time - I think it's something like 20k sq. ft.

K: it's just beautiful

Thank you

Love the doors there the old industrial doors  
Yea the doors are great

So you didn't have to do a lot of rehabbing

Paint mostly all the walls obviously the inside walls but not as much as we would've had to in an empty space so we were pretty lucky and building was quite generous with us as well so they were really interested in us coming in and taking up such a large space, because they wanted access to new businesses the building is quite interesting they've got a lot of incubator programs in the building but most of them are food related. Most of the businesses in the building are food related so it makes sense that there are some food incubators as well so they were really happy to have us and were very helpful

K: are they mostly local food organic sort of farm to table companies

*Director:* companies? Some of them are. It's sort of all over the place. A lot of them are that of course cause it's [redacted] and because they're small companies but not all by definition

END OF INTERVIEW.

## Incubator A – Client A

Researcher: so can you just give me an overview of when you started your business? And kind of what your business entails?

Client: so I started my business in the fall of 2012. And I launched it using a kickstarter campaign. And it's primarily it started out as a women's knitwear collection and since then it's evolved to be a women's more of a ready to wear collection with incorporated wovens and other fabrications

Researcher: and so you obviously started without the incubator, do you think you would've continued if you hadn't joined the incubator

Client: yeah I would've continued.

Researcher: and how long have you been at the incubator

Client: for one year

Researcher: and what made you decide to participate in an incubator

Client: Well I'd heard about it through [the sustainability officer] actually, and it sounded like an interesting set-up I think working in a studio where you're pretty isolated the idea of being your own office space but having this community aspect sounded interesting, and I also was really intrigued by the fact that they were gonna have the Shima Seiki knitting machine here and being able to learn more how to set up pieces for production using that equipment and also having cut and sew production on site that focused on small minimums, and I think also, just the way that this place was described it seemed like I liked that they were focusing on sustainability too, it just seemed kind of a holistic approach to everything so yeah

Researcher: and from your perspective or experience what are the goals and objectives of the incubator overall from the way that you see it? And maybe what are some of your personal goals and objectives?

Client: I would say the incubators' goals are to get a company that's in a kind of in-between phase where maybe you've been in business for two years, and you're at the point where you need larger production but you can't do it all yourself or manage it all yourself and giving you the tools to grow in a healthy way and then eventually graduate after a like a couple years of needing more space, needing larger production orders because your sales are growing and things like that so to kind of help you with this in-between spot. And then, what was the next part?

Researcher: what are some of your personal goals then

Client: I would say it's pretty aligned with what they have. Just kind of having a steady growth and for me like a big thing that I've been working on since I've been here is having a better understanding of the business side because I went to design school I didn't know anything about business, so just getting better at that or bringing in people that know more than me about that to help me

Researcher B: did you say you went to design school? In [REDACTED]

Client: in Cincinnati, the DAT program

Researcher B: so you're from Ohio?

Client: I went to college and part of high school in Ohio, but moved around a lot mostly Midwest and west coast

Researcher: so kind of going continuing of the goals question, how do you think your goals are being met? Either individually or ...so what kind of things are being done to meet those goals?

Client: yeah I mean I think that well one big thing that's helped, is having the cut and sew production right here and having somebody to sort of help walk you through that when I've been working in knitwear for a long time so making that switch into a different category was something that was a little bit daunting...and being able to do small runs of production in wovens and then add that to the line I think has increased my sales

because it's given like more variety to the collection it's helped merchandise it in a better way and sweaters are pretty expensive to develop so it's nice to have like a price point in there also. So I'd say that's like one example of something that's really helped and I've seen a growth. And just being more strategic, being held accountable for

things also. Once a month you know fill out, it just makes you look at everything...I would not do that if it was just me so...

Researcher: so you kind of answered some of my other questions, but have some of your goals over the past you said you've been here a year so have your goals changed over the course of the program or have they stayed pretty similar? Since you've

Client: I think the big goals have stayed pretty similar, there have been some things that I guess have come up as I've been going through it but ...I guess more like add-ons now that I've gotten this figured out then what's the next step

Researcher: Can you talk a bit about what those are?

Client: Yeah like I was never set up with any kind of tracking with my finances, so I signed up for QuickBooks which brought me to the question like I'm trying to manage this myself, but this is obviously not my forte in anyway and at that point I was like well I should probably get a bookkeeper too so it's like one thing sort of will lead to another

Researcher B: do they have someone on staff here who can do that? Bookkeeper or>?

Client: no, that's something we've talked about whether that would be a good, even someone who came in once a month, but they did recommend someone that works specifically for fashion companies, so I've been working with him. Yeah it's been really really helpful. He's like you haven't reconciled your QuickBooks? I was like what's reconcile? He was like 'oh my god'...

Researcher B: I have students who don't know what balancing a checkbook is anymore...

Researcher: so I guess this is more a little bit of a subjective questions, but how do you feel you've developed as a business or an entrepreneur if you see yourself as an entrepreneur program?

Client: I think overtime it's been easier and I've learned how to approach things in a more thoughtful way, but I feel like it's sort of been fast tracked since I've been here and also just being around other designers and other companies and having that gauge of like where you should be at I think it ...I'm trying to think... like there's ...I used to be down at the corner on that end and my studio mate across from me is always really good about being on time with her developments and her production and seeing her work on that was like oh okay I need to make sure like I'm getting these things turned in this week and so I think just kind of, yeah it helped to again if you're on our own its just a little more ambiguous or something

Researcher: so I think you've gone over some of the benefits but have you been - I know you do the monthly and weekly meetings - so how do those assessments go? Like can you describe like what they do to assess your progress?

Client: yeah, so the monthlies are more of a touch base and you have monthly goals and then the following month you'll circle back and be like so how did you meet those goals, you have action items to break down what you're trying to achieve for that month, and so you go over if you didn't meet it why and is there a way to meet it this month or what happened? ...And the weekly ones are more set up where there's a marketing mentor and then a more of a financial mentor and you can set up time to meet with them so it's I'd say it's not as much of an assessment more than like you having a specific problem like when I was hiring a sales rep and when I was reviewing a contract I set up a time to meet with them and look over the contract with me or like preparing for market week different things that I could do better, we had our marketing mentor suggest cause I do mostly knitwear making a swatch card because its so tactile so that buyers could bring that back with them and so I think it's more of a those meetings are more specific to a question you have, or something along those lines

Researcher: is there any other form of assessment that they do for the venture fellows here or is it just the monthly meetings?

Client: there are monthlies, quarterlies, and then I'm about to have my annual review also,

Researcher B: that's where you're gonna get your money books straightened out [laughter]

Researcher: and is there a timeline set out for your work or business development and who determines that timeline?

Client: I don't know if there's necessarily a timeline I think you could set that up on your own, but there's not one that's required through the accelerator.

Researcher: okay.

Client: there is like a suggested, you should probably, maybe this isn't true but in my mind it's like 1-3 years and then you should probably be at the stage of growth where you would be in an studio or would be exceeding the minimums here for most of your production, so I'd say like a 1-3 year depending on...

Researcher B: so the venture fellow program is one year? Right? Or two years?

Client: I think yeah, and after one year you can renew

Researcher B: that's what I was gonna ask if you felt like you really needed that structure you could renew you'd go through another application process or it's just automatically

Client: I don't think you do. But I'm about to have my annual review so, unless there's something I don't know I don't think you apply again

Researcher B: okay

Researcher: do you believe that the incubator has made you more successful in your business?

Client: yeah, I think it's helping in a lot of ways through having the production here and just being more strategic and understanding what's going on with my business...I think it's just made me more focused and organized in a lot of ways.

Researcher: and what does success mean to you? Do you have a definition for your personal success or your business?

Client: my personal success would be running my business not having to do any other contract work, having it be successful enough to be myself, be functioning in a healthy way.

Researcher B: when you say not having to do contract work what do you mean by that?

Client: so when I first started here it was October, I was freelancing part time from basically October until April. And then I got to the point where I didn't have to freelance, which was really awesome

Researcher B: and what were you doing within the freelancing

Client: I was a freelance designer for j. crew.

Researcher B: oh, great. Okay.

Client: which was you know good but it was also dividing myself and it was just way too much.

Researcher B: yeah because you always feel more accountable to somebody else than you do to your own work

Client: and just having two jobs is crazy

Researcher B: so basically when you say the contract work - just not having to moonlight and do other things, but just focus entirely on your own. Do you want to - do you see your line do you see yourself having your own retail outlet? Or.

Client: I mean potentially...it would be great to have a store down the line, but I feel like that would be something I would want it to be at the point where I could hire a manager for that space and it would be - I feel like that's a pretty long term goal. And I also thing our wholesale business is the strongest part, so it could also be fine to not ever go down that road.

Researcher B: so you're wholesaling right now? To like boutiques or?

Client: yeah mostly boutiques, there's a couple of larger accounts, we work with [inaud] a lot, sometimes Anthropologie ...who else...and then the rest are the small boutiques and then a couple of larger stores in japan. We have a little bit of online business, but for the most part it's wholesale.

Researcher B: okay. Sorry this is, I'm interrupting, your after school, was it just a given that you were gonna come to [REDACTED]

Client: no I really wanted to move to California. But, I graduated in 2009 and there was so few jobs and I ended up somehow, it was the weekend I was graduating I got an interview with Betsey Johnson and flew out here and ended

up getting the job and moved here two weeks after graduation, so it was just ...okay. Dive into it. Which that ended up being kind of a crazy company, but at least it got me out here...so that was good.

Researcher B: okay I just love hearing people stories

Client: I mean I always liked the idea - the school I went to was all co-op based, so you'd be in school for three months, then worked an internship for three months, it was like that for the five years you were in the program, pretty much all of my co-ops except for two were with really small companies or even just one designer. And that was - I mean I always thought that was the best scenario. So that was always my ideal, but I just didn't know if that was feasible.

Researcher B: sorry to jump in

Researcher: what kinds of services do you use the most - cause I know the events, education things?

Client: I would say, probably the production room. Yeah. I'd say I go to about half of the events or lectures that are offered it's nice that they're happening, you're working and you can just walk down there and get a glass of wine and sit and listen to our lectures so it's definitely - and they're always really a mazing, why not go and listen to somebody really interesting and talk about your industry. But, I would say that, and then the s-lab has been really helpful too, I've definitely worked with them a bit, sourcing different fabrics

Researcher: and by that you mean the sustainability lab

Client: yeah, or the supply chain and I don't know if this connected with the s-lab or not, I think it is, they do a textile Tuesday where they'll bring in a fabric vendor, that's been really helpful as well. I feel like I've gone to most of those. Researcher: what does the incubator lack if anything that you think would help your business?

Client: I gave a couple suggestions actually cause I just did the annual review, it's more like maybe if there were somebody dedicated to helping you research grant writing or production financing, you can meet with the advisors about that but maybe someone that specifically knows how to go for those grants. Or, I think having some sort of photo space would be really amazing, that's just kind of dreaming, but

Researcher B: yeah I was looking around for that when I came in the sort of marketing aspect

Client: yeah, I mean it would be nice - cause a lot of people have online businesses, that you could take photos of products as they come in. and then I'm sure just the production room growing having more employees for that, would I'm sure be really helpful.

Researcher: how does the production room size right now impact?

Client: you just have to be ahead of - you have to make sure you turn in things at least two months ahead of time I would say. Depends on what time, like right now everyone is developing samples for market which is in February, so I started talking with them in December, mid-December, but I think that's the same with a lot of places, so and same with the knitting lab too, there's a pretty long lead time, so you have to know pretty far in advance what you want to have made.

Researcher: and this is my last question, but what do you think is the most important thing you've gained from being here in the program?

Client: that's a good question. I guess I would say having more confidence in how my business is doing. In a lot of ways. Like I mentioned, being able to quit freelancing because I got to the point that I could focus on this was a huge milestone and just seeing my sales increase, it just helps you validate what you're doing, so I'd say just a little bit of all of that.

Researcher B: so you said your sales increased? Because you're able to make more here? Or is there another connection trying to establish the connection between the production and what you're doing here and then translating that into sales?

Client: yeah I think it was, well there are two things, and I sort of review the retailer Shinola, which is one of the largest orders I've gotten

Researcher B: was that through a contact here?

Client: it wasn't through a contact but I think it was more how I would've prepared for the meeting versus if it by myself, versus meeting the people before hand to make sure I never even thought about it this way but when I went

in to - when I was gonna go into the meeting I was gonna bring in these options, and the tricky part was they liked a lot of my samples but it's all American made products, so we'd have to sub in an American produced yarn which would change the pricing and things like that and I was just gonna go in and say these are the products we'll figure out what the pricing is and when I met with the advisors no you should calculated what it would be so if they wanted to write a P.O. right then they could. Just really making it super super easy for them to set up a sale with you.

Researcher B: so almost like negotiation skills

Client: yeah absolutely, definitely. And I think it made me feel more confident going into the meeting too because I had everything lined up and I really knew what things would cost and where we could get it manufactured and it was also thinking --- is it a waste of time to look into all these yarn vendors - that's a lot of time researching these different companies and making contacts and getting knit-downs and all of this stuff and they're like this could be your largest account, it's definitely worth your time and it's also like you can use these resources later, so kind of helping you figure out what is beneficial,, what you're gonna use your time for and what is not gonna really be helpful

Researcher B: that's so big

Client: yeah it's

Researcher B: time is our most valuable resource and what you do with it how that translates into your business success is so important

Client: yeah

Researcher B: I don't know if there's one word for that

Client: like time is money?

Researcher B: yep, that's what they teach you

Client: yeah, but yeah that and then with the production you were asking about too, I think it was more so, before I had just knits as an option, which made the entry price point really high for anybody that wanted to buy into the line, versus if I added woven garments, you can A - reuse the pattern over and over again so you're not setting up a development fee every season, and you can also offer things that are half the price of what a sweater would be. So, it just helped to fill in the line cause there's a lot of buyers that want to see a bigger collection too, so it was a way for me to merchandise it and make it appear like a larger brand than it's just me. So, I think that helped with sales as well just having more outfits to put together and suggestions for buyers and things like that.

Researcher B: right so diversifying your line to take advantage of what's out there.

Client; yeah

Researcher: that's all I have yeah.

Researcher B: so do you have any questions for us?

Client: yeah I'm curious what you're setting up or so are you guys thinking of setting up an incubator?

Researcher B: well I'm doing something a little different, Rachel's thesis is what determines best practices and success for current fashion incubators because fashion incubators are growing I mean...

Researcher: very new

Researcher B: look at how they differed from, so there have been incubators around for a number of years but fashion and textile specific ones are relatively new, so we want to look at how' they're growing, what are their, there are guidelines for best practices and also this idea of how one model that's maybe academically driven might be different from what a community hopes to get through economic development, so the one in Toronto is specifically community develop, so it might be more like employing people who are underemployed for example or skilled workers who are immigrant workers, like focused more on

Researcher. and then so that's her masters thesis. Which she's going to write in two months? And then I'm actually been involved with a push in Raleigh is just growing in terms of like fashion and textile entrepreneurs

Client: I've been wanting to go down there it just seems like such a cool city

Researcher B: if you want to tour of the college of textiles. We have a lot of tours like a huge amount of stuff....

Researcher: yeah we have two, we have an 8 gauge a 15 gauges, and a sample one and ten stations now for the program. We just got this past year.

Researcher B: yeah so if you ever get down to the area let us know and we'll show you around.

END OF INTERVIEW

## Incubator A – Client B

Researcher: so can you tell me just a little bit about your business overall and when you started?

Client B1: so we started officially this past May. We kind of worked on our business plan a little before that and kind of preliminary planning. But neither of us had come from a traditional fashion background, which is obviously provides some interesting aspects so a lot of it was educating ourselves about what it was we were getting into and part of the reasons why we ended up here was because we kind of realized how sustainability was something we wanted to incorporate within our business once we decided to go down this route.

Client B2: sure, but I think also so we got into the accelerator in September, and I think we'd gone through the application process I think most of August so pretty quickly after finishing our business plan to getting in, it happened pretty quickly. I think we were both taking classes at [REDACTED] to try to get like some knowledge about the industry.

Client B1: We're unusual cause we're pre-launch so we

Client B2: We don't have. We haven't launched our business yet

Client B1: so that's worthy of noting

Client B2: Yeah and taking classes at general assembly, just things cause we're e-commerce so we're trying to learn both the e-commerce side of things as well as the fashion side

Researcher B: what's general assembly?

Client B2: it's a technology education institution, it's for-profit. It's not like a university. They have them all across the country

Client B1: And the world now right?

Client B2: Yeah and London, they have website design, all kinds of stuff related to basically marketing, digital marketing. Yeah you should check it out it's a cool place.

Client B1: I would think actually there would be a branch in Raleigh to be honest.

Client B2: No there's not

Client B1: there's not?

Client B2: No

Client B1: I'm surprised.

Researcher: I'm sure they have something like it though, there's so many things.

Client B2: Yeah there's a bunch of those popping up

Researcher: So you guys have been here since September?

Client B1: 4 months, yeah

Researcher B: and you're venture fellows?

Client B1: yeah

Researcher B: okay. So just out of interest do you apply as, the two of you as a business or as individuals?

Client B2: As a business. Yeah.

Researcher: and what made you decide to participate in this incubator or in an incubator in general?

Client B2: So I think we start --- we'd maybe been going for a couple of months, and there's a variety of resources in [REDACTED] that you can tap into for business so you can do SKOR, SBDC, there's also SBA small business association, like there's a variety of these free resources that you can use in the city, but there wasn't - other than taking classes at [REDACTED] there wasn't really anything else. And, I had started looking - I wanted to be part of an accelerator - cause I'm like, I read entrepreneur, INK, like more technology. Technology there's tons of incubators, people are always talking about Y Combinator and whatever right? So I started looking to see was there an accelerator or incubator in

█? And there's obviously, there's a technology one that's mostly focused on fashion technology that wouldn't be appropriate for us cause our you know, there's no technology component to what we're doing. Like wearables or things like that. And then, there was an online program called Factory 45 or something, but that's all online. And then, you know there's obviously technology ones that maybe you can get into, but this was the only one that really truly focused on fashion and it felt like it was right for us because it was more - smaller, more community oriented, just felt like the right place for us. And the reason why we applied - we were definitely looking for mentorship and guidance right? We didn't really know what we were doing and need help right? We had an idea but we needed people to help us and guide us

Client B1: We also were working from home, so we - and yes that is productive and we both had offices so we were lucky we had the physical space to do it but like, especially starting out mentally for us I think it was really helpful to have a structured place to go.

Researcher: separate from your home space

Client B1: we're also married, so be able to separate that in a more definitive way, like we are at work right now, and.

Client B2: Yeah I really struggled, the first couple of months was ok, but after a couple months, I was just not feeling motivated I guess I was used to being in an environment where I had co-workers and being part of a team, and the energy. And I don't think, I think I discounted that. And just sitting in my office by myself, I was kind of demotivated and I wasn't excited anymore. So we needed something to invigorate that. And getting in here I felt excited everyday. I've never -- most days I get up and I'm really excited to come here. You know?

Researcher B: that's most of the battle right>?

Client B1: And it was like a treat to work from home sometimes right? '

Client B2: yeah occasionally we stay home in the morning, and it feels like it's a treat, not like you're thinking - I got to change out of my pajamas, and go upstairs It's just not right

Researcher B: there's been some research done on that recently like how the whole telecommute thing is just dropping off because - not because the companies not wanting it, but because the employees are finding it - it's struggle. It's to define - there's no work life balance anymore.

Client B2: right everything just bleeds together. And that's not good for anyone. Like you can't --- I've talked to other friends who've also -- you know companies are doing that whole telecommute thing and they're not happy either. They're finding it really difficult

Researcher B: well especially with a hands on thing like fashion. It's not like you're a writer with just your laptop, you need physical space, but you also need to bounce ideas off of people

Client B1: you had kind of mentioned a bunch of resources for business assistance, like SKOR, [00:06:15] SBA, but there's also things like WEWorks, and that kind of stuff and that was a possibility to move out but I it didn't feel like it was worth paying money to just have a physical space, for us to pay for also the mentorship, that is really for us, for the mentorship, the community, we obviously we also get a discount on production which is nice, but also to be able to have production for the first time with the people who are able to hold our hand. And they've held it a lot and with people that we trust, so we can ask real questions, and then also for example we're shifting over to do our bigger stuff fin a factory, that's in Midtown, but we can ask [sustainability officer], hey so this is what they're telling us, should we push back on that? Is this industry standard? Are we getting played right now? So, but we also have a good contact with someone at the Raleigh SKOR office, so if you would be interested, he's really fabulous, my parents live in Chapel Hill, so

Client B2: but this is incubators

Client B1: no no but for, setting up potentially people coming in and talking about business help and stuff down the road

Researcher: we talked about why you came here. So, now that you've been here for 4 months, from your perspective what are the goals and objectives of the incubator overall, as an entity?

Client B2: I think the goal, generally, the goal is to nurture small businesses and get them to a place where they're fully functioning, revenue generating profit businesses. With a specific focus on incorporating sustainability or

sustainable practices into the businesses. So I think some businesses come in and they're like 'oh they don't have sustainable aspects, and they'd like, like business that have been functioning for a while but they want to incorporate sustainability, or young businesses that just need mentoring from the get-go. I think for us we were looking for both, both to just to be nurtured and also to get assistance on how do we make our business sustainable? Like we can do recycled packaging and really obvious things, but what are other areas that we can focus on and [redacted]s, she's more of the sustainability guru, she knows more about that than me

Client B1: it was good thought because when we first started applying we said to [sustainability officer], 'you know this is kind of what we're thinking' we had actually generated a map, based on that [refers to sustainability wheel] and so we took that and we said OK these are the 5 or 6 areas that we think would fit in, and she said 'those are great' but you can do more. And part of that was not even knowing what those options were, and so we have - some of them we've explored more, some of them we are going to be able to do, some of them are long-term goals. But, we didn't even know what the long-term goals were, because it's just not common knowledge. And, it's more difficult and some of it is just needs support to be able to figure out

Researcher B: awareness

Client B1: totally

Client B2: Yeah, and also part of the thing I think goal for the incubator, yes it's to nurture businesses and to make them sustainable but I think it's also to create community of people that work together. So I think my impression of the fashion industry on an outside perspective is that it's pretty competitive, and not very nice. And I think this is a way to start to build a community of small businesses - getting away from those mass market like Zara's and H&M's or whatever, and starting to build really Small businesses that can work together to be a bigger community that could potentially compete with the mass market brands, and I think through collaboration or just discussions, I think the working relationship with everyone in the incubator is really nice. We feel very comfortable asking questions like what do you do for shipping? What are you suing for labels? It's so much easier to ask people these questions, like can you help me with illustrators? ...You know these are almost like things that would cost lots of money to find out from other people, like consulting fees and all kinds of stuff, and we can just walk over and be like hey I saw that you run a kickstarter campaign, tell me the 5 things that were the keys to success, right?

Researcher B: and other business cultures, you would go, well why do you want to know? It would be more of like you said a competitive like I don't know race.

Client B1: It's malicious. So we've even, we've hired someone that is a fellow here to do some of our website stuff...And I know some of the other brands have collaborated with making someone is making a sweater for with them, so it's like - there's lots of stuff that's going on that's not as superficial just of like hey what do you think? Like things are actually happening right.

Researcher B: well and to hear that, it's sort of a culture change in the fashion industry. And what I've found interesting when we got here, one other area where that's sort of that local challenging the big chain thing, is in the food industry, so it's interesting to see that a lot of other business in this building are food oriented. Yeah

Client B2: and they're opening a food incubator in the building.

Client B1: downstairs. Like 300 or something food. not sure.

Client B2: quite big.

Client B1: hopefully more lunch opportunities.

Researcher: Ok, so you talked about the goals of the incubator, how do your specific goals differ, or do they differ? And what are they? Specific goals, either traditional, or subjective.

Client B1: I don't think they really differ to be honest, I think there are systems that are set, and I'm not just saying that cause we're here, but there are systems set in place to allow us to get a gentle nudge of, you know, doing goals for each month, making sure submitting our financials and that kind of stuff and it's like that's stuff that we would all normally be doing, I think on an overarching goals for sustainability, all that stuff is all aligned

Client B2: Yeah, but the goals for the incubator as a business are different from our goals as a business. I mean our goals for a business, is to like engage customers, to generate profit, whereas the goals of the incubator are to like nurture businesses and you know

Researcher: So building off of that, do you have anything more specific for your product or whatever?

Client B2: Yeah, I think we their goals are more community oriented, I think our goals are more profit based. Because in reality we're still a business. Whereas this is a university associated institutions, so it's a little bit less profit-based, or it seems so.

Client B1: but ultimately they're also, yes affiliated with the university, but in order to keep the doors open, there has to be a profitability to it, So I think that it doesn't feel like that, but at the end of the day, in order just like our business right, we hope that it doesn't feel like that, like oh you have to buy our product you have to buy our product, no we're building an experience right, we're building a customer base that has a community, but at the end of the day if we don't sell this product we're not going to succeed as a business.

Client B2: I think the missions are aligned; I'm not sure about the goals. But I think ultimately, the reasons for doing it and kind of the causes, and the values are similar Cause otherwise, why would you come here right? Like if your business is not aligned with the mission or the cause, then you're going to not fit in.

Client B1: But there are always people that think something is gonna be one way, and then don't actually necessarily process it and end up in a situation, not just here, but...

Researcher: So for your goals, for your specific business though, while you've been here, have you added anything or changed any of your goals since you've been, here? Maybe realized something that you didn't notice beforehand

Client B2: I think at the beginning when we first came up with the idea for our business we were not necessarily focused on sustainability, so we were more focused on - so we make menswear inspired apparel, so you know shirts like this - design in aesthetic of menswear but fit for a woman. So I think our business was mostly focused on the concept of the unmet need, the frustration of the customer, things like that and not necessarily focused on sustainability, but I think as we started applying for the accelerator, and thought about our business we realized that that was really important to us as well. So I think without coming to the accelerator, I don't think that the focus would've been as much on sustainability as it is, I think it would've been much more focused on just being a small clothing brand, whatever that means.

Researcher B: what does that mean to you? Is it financial? Is it how many pieces can we produce per year? Or how many employees do you have?

Client B1: Sure so, it's not so much from a financial perspective, it's more for like the decisions we're making around our clothes. So all of the materials we're using are natural fibers, so that they will eventually biodegrade, we've thought a lot about things like our trim, so do we use for example a corozo button, which is created from a nut which is a natural material, or do we use polyester because there's more longevity there? So that it's an article of clothing that will last longer? So using quality craftsmanship, to kind of get away from...

Client B2: But do you mean like as a small business?

Client B1: oh sorry

Client B2: I think it means like, maintaining control for sure, making things, not going to big too quickly, making very incremental thoughtful steps, so doing small batch production working with people locally that we know, right? .... As a mass producer you can't know everybody that works in your supply chain, but as a small business you have the advantage that you can know most people in your supply chain. I think yeah, and obviously you know just making sure we don't move forward with things until we're ready. You know like our goals are not to be this massive million dollar brand, we want to be to remain a small business. We want to always be able to connect with our customers as much as possible, we try really hard to be connected with our customer, and I think it's really hard when you're big.

Client B1: And when you say big, I mean I think we have aspirations of having a UK Distribution center, so it's not like we want to just be based in one store front, but it's staying true to who we are and not trying to take over the world. Right? Biting off as much as we can chew at that period, making sure that we can handle it.

Researcher B: do you envision having your own retail space or staying wholesale?

Client B2: well we're not doing wholesale, so we do D2C, but we have talked about if we reach certain point in revenue, we would like to open a store in [REDACTED]. We did want to open this community space that could be retail as well, but you know we're just not there yet.

Client B1: It's kind of a three year goal out for us, so it has evolved several times throughout this 8 months that we've discussed this, but we'll see where it comes out.

Researcher: I think we've gone over quite a bit just through...yeah. But, how do you feel you've developed as a business and/or entrepreneur since you've been here? Specifically in your time here?

Client B1: Well, I come from an education background, so I worked as a teacher, and elementary school librarian for my entire professional career. So it's obviously, been a big shift in how I spend my day...and I had done for several years, some work with a human rights campaign (HRC), and that had kind of been my glimpse into the corporate world so I kind of got a little taste of it, but now obviously it's on a daily basis. I think for me, it's been big shift in how I even just how my day looks, not being in one space every single day where we're going out to midtown, or meeting with different people, I didn't have to schedule meetings before, so that has definitely been an adjustment. Laura comes from an advertising background

Client B2: Yeah, I worked as a management consultant, and business strategy, and worked strategy and advertising, so I'm very used to marketing. So what's different about my job is it's my own business, so it's not like I didn't do a lot of these things before - although the designing is totally different totally new - but the business stuff is the same, I think for me the biggest change is my quality of life has improved significantly, so my job was very demanding before, was very stressful like working with clients, and I was travelling a lot, in both my jobs I traveled a lot, and I was often very stressed and I was working on weekends. And I was thinking about work after work, and now my work just like my quality of life work-life balance is just so much better, and although it's my business I'm not stressed in the same way that I was stressed before. I'm more excited-anxious than stressed like I don't want to go to work

Researcher: So do you think that's directly related to being here and having this?

Client B2: Yes, 100% Before we got into the incubator I really struggled with having direction or purpose or like a goal, now I feel like there's a definite purpose it's been validated by people in the industry, like we have mentors, like it feels like there's ...and we have you know quarterly and monthly goals and so there's accountability and I think that's really important. I think that for me that's something I struggle with. Having a job there was always goals and accountability someone I had to deliver something to. And when you're when your own business it's really only you and that can be difficult if there's not someone just maybe over your shoulder that can kind of just push you. 'Cause otherwise you know as humans we just - it's so easy even if you know that you have to do it and there's not one there saying it to you the minute you have ...yeah I feel like there's accountability, which is not necessarily maybe everybody feels that, but I definitely feel that

Client B1: Yeah, and I feel completely confident that if we weren't up to par, with our idea, with our self and our work ethic, we wouldn't be accepted. So, I think that that validation of that is helpful and also for us to have this idea and it was kind of out of nowhere Right? Especially coming not from a fashion background this is what we're going to do for all or our life no is there really a market for this, do people really believe in that? That's really important

Client B2: Yeah, and I think it helps you set a culture for your company too, because as too people when you work at home, you can't - there's no culture, you're just you and then thinking about what it would be like to have employees at some point right? It can help guide you on how to practice your business

Client B1: And I think that, when you were talking it sounded like you were working less hours now that you started this, and I don't think, I'm saying that might come across, I don't think that that's necessarily true, we're basically constantly working, but it doesn't feel like that's a negative thing

Client B2: It doesn't feel like work I guess that's the thing it feels fun, it's not like I'm working on a workshop for a client, freaking out because it's the next day

Client B1: Like tomorrow we have a huge shoot all day long, but it's fine, we're excited about it, we're gonna be around people that we want to be around.

Researcher B: Will you do that here?

Client B1: Part of it. So they let us into the production room we shot the people that are actually making our clothes so we're shooting a kickstarter film, so yeah, but being able to show people who is actually making it is really powerful, and not every factory would let you come in and shoot their stuff. And that's really unusual, so that kind of access to be able to walk down the hall and have a conversation with them and be like hey we think we want to make this change what do you think ' we have met with them a lot

Researcher B: so the proximity issue

Researcher: So not only using them for your production but even now for marketing and connecting that

Client B2: yeah definitely.

Researcher: So, going into that's a good segue of what kind of benefits do you think you've gotten by being here? Like specific things that you use

Client B2: Well, definitely mentoring, guidance, advice,

Client B1: from financial from sustainability from just business...making decisions about fashion stuff like labels, and buttons,

Client B2: production, i think also community culture, creating that community, having people that you can feel is kind of your work family type of thing.

Client B1: like again yesterday we were siting at our desk and someone came over and was like 'hey you know I'm thinking about, which cuff do you like better?' right? And five people weighed in on it in a matter of two minutes you had immediate feedback

Researcher: right. Do you --

Client B1: contacts

Researcher B: we learned earlier about some of the more educational things like workshops, and the textile Tuesday, do you participate in those?

Client B2: yeah, education definitely, we've done - there's been quite a lot of stuff they'd had here like events and things, so I'd say networking definitely cause they've had a lot of events with people that come into the space so we've met a lot of people we definitely wouldn't have met otherwise in fashion and sustainability.

Client B1: we have access to a large network of people as a result. Right? So, we had a fit consult with Alvanon who are the fit leaders in the universe essentially. They came over into our desk space and had I don't know 30-40 minute conversation with use which probably would've cost 2-3-400 dollars at or something. At least more.

Client B2: So there's these sot of intangible benefits that we're getting

Client B1: We met Eileen Fischer; we've met a variety of friends in there. And also I think that when people hear what we're a part of it gives clout to who we are

Client B2: yeah, credibility I think you get credibility from being here

Client B1: We've had a lot of people ask us about our experience and you know to give them a tour of the space and we've been very fortunate to be able to promote and pass on that experience to people. And now actually someone that I had met at a conference through Bach (?) She's doing production here, so it's...

Researcher: Spreading the word, word of mouth

Client B1: Mhmm

Researcher: Can you talk a little bit about your, the assessments that you guys go through if any? I Know you guys have the monthly quarterly annual stuff, can you go into what that means for you guys, have you seen it either benefit you or --

Client B2: Yeah, I think it's definitely beneficial from what we were saying before about accountability, cause otherwise for example this morning before we came here, one of the things we have to turn in is our financials at the end of the quarter, and we hadn't -- because we're pre-launch we're not really --- there's no money coming in, so we hadn't really we'd just been spend for fabric, spending, we hadn't really just sat down and looked at it and this

morning we started doing it and we were like 'oh my god'. You wouldn't do it otherwise -- I mean you would -- but you wouldn't do it as regularly or as professionally. We have all our goals and they're being tracked over time, and so you might do it in your notebook, you might look back at it, but I think it provides a structure and then accountability. And guidance, and what you should be doing.

And are you not meeting your goals? Then what's the problem, like let's investigate. I think having someone be like 'hey why haven't you done that yet' or giving encouragement is both, I think having the constructive criticism as well as encouragement

Client B1: I think it's a safe space, that sounds corny, but I - you know when you sit down no one's gonna be like 'you haven't met your goals you're gonna get kicked out' that's not the feeling it's like if there was a goal that we weren't meeting, but it was because it was kind of out of our hands, and we were pushing on it but it just hadn't happened yet, but it was something to say like 'what's going on' and we've hit it now, so - almost.

Client B2: Yeah

Researcher: Do you guys have a timeline set up for your business development? And was that something that if you had one did you do it yourself or did they help you create that?

Client B2: When you say business development - do you mean like -- what do you mean exactly?

Researcher: Any sort of goals

Client B2: Development for our business?

Researcher: Yes, your business specifically

Client B2: Yeah we definitely do, we have yearly, and we have a 5-year plan basically. It's pretty --

Client B1: Extensive

Client B2: No I was gonna say it's pretty generic, but I think it's -- we have revenue goals and goals --

Client B1: I think it's more extensive than she gives us credit for '

Client B2: Yeah, yearly goals and we have monthly goals as well, I think we have a vision of where we want our business to be in 5 years, and we spend a lot of time thinking about it. You know, we had talked about other business models, all different types of business models that we could potentially go for the wholesale, retail, and custom - doing custom. We spent a lot of time thinking about what would be realistic for us. And I think that really helped just - made the decision and then stay the course.

Researcher: Was that something you guys did on your own or did you have help creating that here?

Client B1: So one of the things we did prior to being here, we basically secured, we had kind of like 5 different mentors in different spaces, so one of the mentors we had was the SKOR person from Chapel Hill, which is kind of random but we happen to know him...we had some people from Bach who is that local organization that's through the SBA were actually the ones that we had known about this accelerator, but they encouraged us to push and actually apply and then several others. But then we were able to take that, and then condense them all into one space here. And then there was communication within that team, which is I think really helpful. So instead of going and having a meeting here and talking about this and going and having -- yes obviously we're not gonna talk about financials with our financial outlook for the year with [sustainability officer], because she talks about production, but she knows who that other person is right, so everyone is kind of on the same page and I think that's quite helpful

Client B2: yeah and I think the business planning process we had kind of finished prior to getting in here However, the application process for applying here helped us with our business plan, it helped us refine our business plan.

Client B1: And it's quite extensive

Client B2: and then we also applied to a business plan competition, the Innovate Her competition,

Client B2: So that helped us I think also just, when you do those things you're continually going through an exercise of 'what's my business' what are my goals? How am I going to differentiate myself? Why am I better? And continually refining your pitch

Client B1: and giving it too, it's not enough

Client B2: yeah so those things in addition to being here there are other things, and they promote, they'll you know send out emails 'hey this competition ' or 'hey if anyone's interested in doing this.'

Client B1: And [REDACTED], I don't know if you met [REDACTED], but that's something she had a lot of background in like giving presentations and she literally sat there for an hour, we gave her the presentation, pulled it apart and looked at it. So there's so many different kind of people with different backgrounds and that's really helpful. So, it's ---it's a one-stop shop if you will.

Researcher B: I have a couple of follow-up questions

Researcher: To this part or later on?

Researcher B: Just general actually

Researcher: OK should we go through those?

Researcher B: how much do you have

Researcher: I just have a couple of questions specifically about success, do I need to ask?

Researcher B: yes that's important

Researcher: yes that's important. So how do you guys define success, and how do you believe the incubator has been successful thus far?

Client B1: Our kickstarter campaign is going to be a huge test which is being launched on February 1st, to find out for us, if the universe actually agrees with our --

Researcher B: so it'll be under this name? [Refers to card]

Client B1: Yes, and I think they've obviously helped us get to that point, they've helped us with the filming, they've helped us with the planning and all that stuff, but that I think will be our -- is kind of our litmus test right now that we're using for success to see if --- so our goal is 30,000 \$ and what we're doing that for is to do pre-sales essentially, to see if people will actually buy the product, so--

Client B2: Yeah, I think definitely making profit is successful, I think creating a brand that people want to be engaged with, that are interested in. I think for the accelerator, success for them is us being successful, so they're inherently tied together. If we're not successful, they're not successful, because we're inherently the litmus test for them right?

Client B1: And we're kind of a different attack, because we are pre-launch, and we don't have any fashion background so we're like, is there anyone else that really doesn't come from a -- like Teal, Teal who actually makes this sweater, he was a lawyer. And he does this whole kind of sustainability mapping of transparent supply chain and that stuff, but that's kind of different from -- several of the other [inaudible]

Researcher B: That speaks a lot to the incubator too that they're willing to take that risk

Client B1: Yep. So it's about the people not necessarily their knowledge or background. I like to think.

Researcher: And, what services do you use the most here? Like out of all the things they provide, what do you think is I guess maybe top for you?

Client B2: I think the production room has been so helpful - I don't think -- if we hadn't had the production room I think it would've been really difficult for us just like starting out. Cause we didn't know the right questions to ask and I just think we would've stumbled around a little bit and I'm sure we would've gotten it done, but I think we're also a lot more knowledgeable having them there because we get to see the work happening and we can have discussions -- frank discussions -- where if we're working with a production room in midtown we might have to fake it a little bit more, pretend we knew more than we did'

Client B1: we were, so that definitely happened

Client B2: Yeah, whereas here we were able to be like' we don't know what that means' right?

Researcher B: you said it was a safe space.

Client B2: yeah, so I think that was for our development super important, and I think having the s-lab has --- I think without the s-lab I think we would've really struggled to incorporate sustainability into our business --

Client B1: yeah in a more meaningful way

Client B2: yeah

Researcher: and the s-lab can you go into what that specifically does?']

Client B1: Sure so it's essentially [sustainability officer] and [mentor] who works for [REDACTED] as they're kind of sustainability more from her more professor group

Researcher B: research

Client B1: yeah, so for example going through things like that and saying OK, we're gonna try and do this or you know take a look at this new fiber that people are using, or for example we were looking for more organics and [sustainability officer] was able to steer us towards someone that we could potentially source it from. So, figuring out those questions.

Researcher B: so I have a couple of questions that just came up

Researcher B: So when you came here without the fashion background, did you even have sketches, or was it just a concept?

Client B1: We had taken a lot of images off the Internet, and so neither of -- I mean [REDACTED] is a decent drawer, but neither of us are like artists, and we didn't know how to use illustrator at all at the time. But you can get your message across just fine by saying, 'okay we want this style cuff, we want this'...because one of the things that is really important for us in our shirts is the detail, so what you see in like a Ben Sherman, a Paul smith, so using those as examples cause we weren't trying to recreate a wheel. So we're just a shirting company right now, so it's - you know what a button-up shirt looks like, right? Figuring out the actual fit and the pattern and all that stuff that we worked with them, but the concept behind it is not necessarily --

Client B2: I think if you're making really complicated new crazy dresses, or things that are really design innovative, yeah you definitely need to be able to sketch, but for the stuff that we're doing it's more about the concept than it is about

Client B1: and the brand

Client B2: Yeah, so I haven't found - we haven't found that to be an obstacle at all, which we thought would be an obstacle but it wasn't

Researcher B: The other question I have is really out, really not a whole lot to do with what we've said, but do you see this - do you see the geographical location being important? Cause a couple of times you mentioned something about being able to go to [REDACTED] and [REDACTED] being important to you, so for you guys --

Client B1: Yeah definitely. So for one we live just a few neighborhoods over, so it's very easy for us to get here. So we can get here in 20 minutes which is lovely

Client B2: Our commute is amazing. Like this morning I said on the subway, cause I used to take the 4 train to [REDACTED] and in the morning the 4 train is SO busy and everyone is so grumpy, so every morning I would have this 4 5 minute crazy pushing standing up always, for 45 minutes, and it just doesn't set the tone, and at the end of the day too, and all of us would come in and be like 'ugh the train was awful today' and when we get on the train we only take it for ten or fifteen minutes and it's never that busy, and I was like 'our commute is so easy'. But it makes a big difference to the day; cause it kind of sets the tone for the day

Client B1: But you also wouldn't be able to get this kind of physical space, it's just not gonna happen

Researcher B: and the light you have in here, the view.

Client B2: Yeah, but it's also really easy to get to [REDACTED]. So it's really easy to get to the garment district, which is where a lot of stuff is that we have to get

Client B1: So it's like maybe 40 minutes

Client B2: No I don't think it's even 40 minutes, 30 minutes. Regardless, yes I think location is super important

Client B1: yeah

Client B2: I think those people that commute for 2 hours in the car, I mean I would never.

Client B1: But you guys have a lot going for you too, like you have the ability - like the people that are starting to the hemp facility, the hemp processing facility, I don't know if you're familiar with them

Researcher B: I've heard vague rumors

Client B1: but obviously there's still cotton that's grown in North Carolina, you have universities there, I think that -- I think one of the things that I've seen in the industry is that people want to get more involved with seeing where the fiber is coming from, seeing where the crops are being grown and if they can get involved with that, and you obviously yes north Carolina is large, but it's - you could travel for an hour or two hours instead of getting on a plane and be able to create a relationship with a farmer, and that cotton, or

Researcher B: but I think with geography one of other things I was getting at which is sort of state of mind or culture as well, cause I feel like - I don't know this area at all -- but I feel like could this literally be picked up and moved somewhere else? yes to a certain extent but it feels like, this, [REDACTED] is sort of particularly an awesome place for this type of thing to happen.

Client B2: Definitely. I think totally agree, I think most of the people who work in this space live in [REDACTED], and there is a [REDACTED] mentality, it's already eat local, and you know sort of hipster slash buy local brands, don't buy mass market. So..

Client B1: But that exists near you too. Like

Researcher: Carrboro,

Client B1: Exactly you go to the food co-op here, and it's exactly what you would find here just in a different building.

Client B2: Yeah but if you planted this in New Jersey, it wouldn't be the same, cause it's defined by the people that are in it, defined by the people that run it --

Client B1: and that wanna share

Client B2: -- so the type of people that live in [REDACTED] who have specific types of values, inherently define the culture. So, but I don't disagree --- but where you place it I do think is very important actually

Researcher: and off of that I would think just resources in general, like being in [REDACTED] and having garment district,

Client B1: hugely helpful, but we could - I would say we could still have this be really helpful without the garment district. Yes.

Researcher: It could stand alone

Client B1: I think it could stand alone. Because there are loads of people that make clothes other places in the US. I don't think it'd be as meaningful because obviously you need access to that kind of stuff, but you could get access to that stuff via mail.

Researcher B: You've got the people as well thought, your proximity to mentors, people who are actually in the industry, that must be helpful to have people within metro distance.

Client B2: sure.

Client B1: having [REDACTED] [REDACTED], that is hugely helpful, so if you go to set up a panel here, for a panel discussion, there are a lot of people you can tap into

Client B2: there are a lot of people here that just have to get on the subway, it's not like a big commitment time commitment,

Client B1: And I believe there is another incubator also in the area,

Researcher B: [REDACTED] one

Client B1: oh, so [REDACTED] as well. From our experience, it's a bit of a different vibe there and less focused on sustainability

Researcher: I keep reading about it but I can't seem to find anything very concrete.

Client B2: I went there cause I couldn't figure out... '

Researcher B: oh where is it

Client B2: It's in industry city which is down near sunset park, in [REDACTED]. It's at the opposite end of [REDACTED]

Researcher B: oh ok ok

Client B2: I think it's just a different business model. They're more focused I think on bringing factories together, so having like a one-stop shop for all - anything that you would want to do, but basically they want to take the garment district, and almost move it into their space. They have a humongous space, and it feels less about nurturing small businesses, it feels more about bringing jobs to the US

Researcher B: sounds like what the Carolina textile district is doing

Researcher: except there's is still very disjointed

Client B1: Theirs is very disjointed as well, from our experience

Researcher: Can I ask one more question, cause I still have - before you guys go. Anything that you think they could add, anything that the incubator's lacking or what is the most important thing you've gained from being here? Those are my last two things

Client B1: Anything we would add...

Client B2: I don' think so, I can't think of anything that I would want

Client B1: I think for us there's a new company that just joined that's a men's shirting company so that Will be interesting to kind of be able to bounce ideas off of, but that's just the flow of who's in the space at that time

Researcher: ok yeah great

Client B2: yeah nothing I would add.

END

## Incubator A – Client C

Researcher: your business can you tell me a little bit about it and how you started?

Client: started almost 15 years ago, I worked for other companies designing for them it was mostly, JC Penney, like huge companies, so..mass produced overseas labor, and after doing that for a few years I realized I was working long hours for a small company, I was like 'God I could do this for myself if I'm gonna work this many hours and not see a whole lot from it'...So I started selling some things at small markets just to get a feel for it. I was just kind of frustrated, and just up and quit, and cashed out my 401K and used that to get a bigger space so that I could do my thing, open it up as a storefront. And I lived in the back and my workshop was in the back. And I did that - this was in Seattle - and then almost three years ago, I'd been looking for probably the two years before I moved, so eight years into running my business. I had been saying part of group like Etsy has meet up groups and we would get together and brainstorm about how 'god it'd be so cool if we could keep like all of our shipping supplies in one place and just hire someone to ship everything for us, or 'oh it'd be so cool if we could,..' we were always kind of hive-minding things but no one really wanted to take on the bigger thing, cuz all of us were like so exhausted could hardly keep up with my own thing. So I had a pretty good network there, but I had a dream to move to [REDACTED] for a long time, and the timing seemed right so I came over here and honestly I looked into there being fashion incubators, and I was shocked that there didn't seem to really be anything up and running and going, I mean it's [REDACTED] it's supposed to be the capital of fashion and there really didn't seem to be anything so I moved everything over anyways. And at first I was affiliated with manufacture NY, but they had a garment center, they had found affordable space in the garment center,

Researcher B: they have a big [REDACTED] thing that's getting ready to start..

Client: they do yeah, well I think their long-term goal was always [REDACTED] but they wanted to start it as a pilot program in the garment center. And there were, it started out with maybe eight of us sharing a shared workspace. Honestly, not much bigger than my own individual space, it was really small. There were maybe three of us that were established designers and had sales, but all theirs were full on start-ups doing look books just really getting started. It was a great community, but they sold it as an incubator but it really wasn't an incubator, it was affordable workspace, I don't mean to say that in a bad way, but their intentions were very good but there was just too much to do and big goals and [REDACTED] coming up in the big building ...so within a year they were like this is just draining all of our resources we really need to focus on the big picture and focus on the [REDACTED] thing, so that was done. So we all kind of scattered, and it was only a few months ago that I went to a talk about sustainability and [sustainability officer] was one of the keynote speakers, and something about what she said about sustainability not just being about the materials you use but also not exhausting yourself as an entrepreneur and just keeping real, not saying that you know everything, that you're always open to learning, can always improve. Just really liked her practical approach to it, and it just really resonated, and I thought maybe they have classes maybe they have something I could be a part of. And I looked at the website and was like where has this been, I'm applying right now. So that's my whole journey. I make women's handbags and I do most all my own, I started out doing all my own production sample making, full on everything. Did a little bit of production in Seattle, and do I'd say 75% of my bags now are made in production here in the city. And then the rest I fill in the blanks.

Researcher: so the rest you do on your own?

Client: Yeah the rest I do on my own.

Researcher: Okay. And how long have you been at the incubator then?

Client: a month

Researcher: only a month?

Client: yeah.

Researcher: So you said you mentioned the sustainability talk as kind of like your segue into really seeing, being in the incubator, what else made you decide to participate in the program?

Client: I had been saying and talking to some people including the people as part of the other thing, I needed a business manager, I needed somebody that actually had experience doing it wasn't a theoretical idea or something they learned from a book but learned from other entrepreneurs who had been there and done that and were in the trenches and could help troubleshoot. I think I hit kind of a plateau with my business and it's doing great, but it's not growing and I'm exhausted, and trying to figure out how to make it scalable and sustainable on myself, and go back to doing what I love which is creating, rather than emails and accounting and troubleshooting production all day, so that's mostly what it was. I wanted to find a business advisor or pay a business coach or something, but the way I am, and maybe other entrepreneurs are this way too, I need some accountability, and I love that they have monthly check-ins, we have a retreat on Monday, I don't know if they've shown you some of their materials of what they're up to but even just the goal setting for each month, each year, and how to break it down financially and design-wise, it's fantastic.

Researcher: yeah that leads into my next question, from your perspective what are the goals of the incubator as the incubator business?

Client: that's a good question, I feel like although I've been here a month, I've just been unpacking and getting myself up to speed on what's going on. They just sent out a thing day before yesterday which set the tone really well for me it was called the Harvard Business Review's energy crisis and it was like, I feel fulfilled in what I'm doing, I feel like I can get everything done, feel like I'm making a difference in the world, it was this long thing of all these things of how you should or shouldn't be feeling, and it was like oh, that's a good challenge. So it feels really good, those are all areas I want some help with and I'm sure they wouldn't give us that sort of thing if they weren't gonna do it. And I would say too when you're a solo entrepreneur or just an entrepreneur it comes down to you at the end of the day and to know that there are other people around you that are going thru it and that there's some oversight and there's an umbrella that's really looking out for that, and just pointing out hey be cognizant of that, it made me feel really good I feel like I'm in the right place for that

Researcher: so since you've been here a short time, I guess we can go to maybe what are your specific goals for your business?

Client: I think a lot of what I liked is that I wanted the space. I needed to get back out of my apartment. I made a big sacrifice to move to [REDACTED] and sell my house and come here to do that but it was at great special sacrifice, that I needed a little more room so that coupled with having knowledgeable advisors on site, regularly, two days a week to set an appointment with were the huge draws for me for that. Business wise really, I want help building an actual system, I haven't had a marketing plan for the year of February we're gonna do this and this email blast goes, I really wanna have an overarching marketing plan and I really wanna understand my finances much better. I really wanna know the ins and the outs, and I wanna be able to know because I do wholesale to other stores, I sell direct to customers at craft shows which means travel, I sell on my website. And I really want to look at where are my efforts really being best spent. I know what my overall margins are, and I know what my profit is, but I really kind of want to look at do I really have to work this hard at every single avenue, or what's the most profitable? What can I work on? IS that a fun thing for me to do? And I also want to makes some new designs, I want to get the system in place so I can get back towards making some new designs and being creative again. I feel like I've turned into just a full on businessperson. And I miss that.

Client: yeah

Researcher: great thank you. So I know you've only been here a month, but can you speak to how you've developed as a business or as an entrepreneur since you've been here?

Client: I think there's a level of transparency that I think is kind of cool. Whether it's looking at how other people work, should I put my cutting table off to the side or is it better to be in the middle, just seeing how other people work helps validate what I'm doing or gives me some new ideas on that front. I'm probably not you're best candidate for how ---

Researcher: no, it's good to have a range of experience, cuz you're brand new to it so you have a different way of seeing how it's gonna affect you.

Client: So far the communications' been really good I think they've worked well on having some community even before I moved in. I was accepted two months ago, but with the holidays and everything I didn't actually move in until last month, but then I did a happy hour one night, and they did a friendsgiving, and they've -- so there's a lot of community kind of fun things that make it really nice. Because when I first moved in I was like, I felt like the new girl at school, didn't know who to sit with at the cafeteria and that kind of thing but they did a really good job of doing some social things on top of everything to kind of keep people connected. Cuz when you work for yourself your customers become your friends you don't really have co-workers anymore so it's nice that when you need to have that connection you can have it.

Researcher: So, there's another question I have. So what benefits do you think you've gotten by being here, or do you foresee that will be benefits to you?

Client: The, I wouldn't say learning curve, I'd say just the accessibility to getting help is just so much quicker. Before sometimes, it would be like well gosh I need to ask a lawyer about this, or I wonder if there's a smarter way to do this with production, or I can literally look on the calendar, and if someone's free this afternoon I can pop in and talk to them rather than...

Researcher: So, the assessments, have you done an assessment yet?

Client: No, not yet, not till February. They gave me a month of breather, my sales my business is so busy November thru December that they were just like. And I just moved in, so she said February we'll get that done. But I have looked thru the materials and then filled out the first bit. There's a kind of finding out where you are with your finances, like do you use a certain system, do you know what your burn rate is? Do you know this? Just kind of like a --

Researcher B: burn rate?

Client: yeah, thank you. I'm still fully understanding what the difference is, fixed costs and indirect costs, but basically what it costs at the end of the day to keep your lights on, not what's projected but what it ends up costing you just to keep the lights on and a roof over head,

Researcher B: actual costs

Client: yeah so I thought that was a really good question. I think the last two asked me that. So I liked --- giving myself a report card walking in before my first review of this is where I'm at and this is what the last year was like, and being able to do this again in the year and see what's changed. And they also let me see when I was interviewing it's a 3-step process to interview, they let me see the actual notes of what the interviewers said about what they thought was good or bad about what I did - so helpful. And it was nice to see even what I had written on my application, cuz it was an online form. And I thought god I wonder what I said or where did I you know, cuz I did it like late at night, after two beers, and was like I'm just gonna do this now. I'd been here for a while. But yeah, honestly I was just blown away that this hasn't been up and running for 50 years. It just kills me. So..I'm glad it's here and it feels good. It seem s like being part of a university situation there's bound to be more structure, and money and good brains, and just better resources, just kind of inherent with that.

Researcher: so, at this point do you have a timeline set out for your work or business development as far as your program time here, have you created that or?

Client: Well, so it's a little unclear. I know that I'm guaranteed a year, but I have the option to stay up to three. With there being like a - wanna say a million dollar revenue cap - but that could be wrong. I just know the pricing at least for my space, is paced out the first year at x amount of a discount off of market rate, a little bit less discount the second year, little bit less the third year. Other than that, that's a good question , I don't know if I get this accountability just for the year and doing the check-ins in the resources or not..

Researcher B: When you said the million revenue cap, meaning that if you start making more than that you're out?

Client: I don't know that you get booted, I think the gist I got from them was that they want you to be to a place that when you're ready to go and you need to go that you'll do it, they don't want to like kick you out because you aren't doing well, then they haven't done their job. The gist that I got - I'm probably not quoting them very well but - was that this is the ideal situation, is that if you get to that revenue source, you wouldn't need us anyway. They kind of I guess point where we don't need this I'm good.

Researcher: But as far as your business model or goals, do you have a timeline for that as well? Like where you'd like to be in a year, 2, 3, maybe even a 5 year plan? Or is that something you think --

Client: that's a good question. I would say if you asked me in six months I would have a better Idea, right now I know that I need the year, I need just the structure, the accountability, the workspace, the security of having a workspace and a community around me to really allow me to feel like I'm empowered to make some really big leaps. Not that --

Researcher: What kind of leaps would that mean for you?

Client: A few crazy ideas, I don't have it fully flushed out, but I would say either A. it would be a flagship storefront here that had a workroom in the back, ideally I would just like to buy the building. And to be able to just have that be the kind of hub and home base for my business here in [REDACTED]. I could see opening a couple other stores maybe something on the west coast partially because my family is there, but the other part of me loves the idea of like the Paris thing I threw out there, I love to go visit my stores, and I have stores all over the US and I have one in Australia, and it would be fun to be able to go and go to Paris for six months and find some stores do some trunk shows, be inspired, visit with new vendors, go to Italy, learn some new leather making skills, add some new products to my line. Give myself a little more room to travel and be inspired and learn some new techniques I'm still pretty hands on but I understand the value of having it be a scalable model to sell things, and finding the right balance. I'm not a designer to - I really haven't ever done a spring collection, fall collection, done fashion week... I haven't really done a lot of trade shows. It's been pretty grassroots of sending out a newsletter, sending out an email this is the new bag that's available now. It's been a lot of at once orders. I don't have very many stores that order six months down the road, if they want them they want them within the next couple of weeks. And those are just some things I wanted to talk to [sustainability officer] about a little bit, of how to strike the balance of having a line and a collection vs. doing these big batches in seasons and all that. So I think that's why I'm saying, I need a year, to really reconfigure, how I'm doing my business, it's worked but I'm exhausted and it's not growing, so something needs to change, but I'm not sure what. And that's why I'm here.

Researcher: So, for you what does success mean to you? And your business or in any part of it???

Client: I'd say being creatively fulfilled. Having the freedom to travel and enjoy new cultures and new people. Not being pinned behind an office. For the longest time, success was being able to have the bills be paid and maybe go out to dinner a few times a week, it was very simple. And honestly, in [REDACTED] it was kind of the same thing. I just want to stay here, I don't want to run out of money and have to go I don't know move back to Seattle and live in my parents basement at 40 years old, you know. I gambled a lot on starting over here, and I think that was success there but for me now I think it's more of a creative freedom of getting back to what made me start my business in the first place, would be creating new fun things that were a little more one of a kind, limited edition batches, having the time to go hunt thru thrift stores or old warehouses, or travel to new places to find new resources. That's so fun to me.

Researcher: And so you think the incubator can help you do that?

Client: I do. I think what was encouraging in my interview is I was telling them how I would travel to different cities and do craft shows all over, and I was kind of like I was worried they were gonna say that's not smart you shouldn't be ...and they were like well obviously you're a people person and you love it so keep doing it. So I guess maybe finding those fun things, making sure it's a profitable thing to do.

Researcher B: Well some craft shows can be really lucrative.

Client: I think my best one is Renegade. Renegade Chicago, has been my best, and then Seattle Urban Craft Show. I haven't been to your knick of the woods really.

Researcher: So, you're new, but as far as like you kind of know the services and the kinds of things they're gonna offer here so what do you think you have or will use the most and what do you think they lack, so what're you looking for that they might not have that they could have?

Client: I think resources short-term is numbers, It's something that I'm terrified of and I think has been my Achilles' heel however, I really want to understand what's truly working and what's not, I want it to be able to be kind of a - manage it by the numbers of like ok this is working, but what's working the best, and the whole 80/20 rule of what's really really doing well and capitalizing on that. that is the most important to me right now. is to really understand where my money's coming from and how to capitalize on that. I think that as a subcategory of that I think second closest would be meeting with [sustainability officer]. It seems like she really has her production figured out, she's got a solid customer base, wholesale, she's got things figured out and I would love to be able to pick her brain a little bit more of how to scale my business in a way that will be a little more manageable. I'm absolutely certain that she can help me with that, I think she's pretty awesome. What I thought initially, moving in here, I was surprised that they didn't have was a like a photo studio or some sort of I guess I expected, because we have, but I realize they're not part of the [REDACTED] but like the laser cutting, and the knitting machines and all that that's way beyond what I would've dreamed of having, which I love it's like having extra toys around here. But yeah, I kind of expected there to be some sort of for some reason photo studio something to be able to when you want to shoot e-commerce or do editorial or whatever, I would've thought maybe they would have something like that. However, I've seen posters that I think there's a photography one floor below us, so it's not that we're lacking, it's just not part of the system

Researcher: So for you, I think you kind of touched on this with the you said you wanted to be able to manage you know how to scale, most importantly, do you think that's the most important thing you need to gain at least initially from here? OR is there something else that you see as like your top priority that they could provide?

Client: No, I think looking at my track record, and looking at my numbers and seeing what the high points are and building a routine. or a schedule or a plan based on what's worked well for me in the past, I think I'm just working really hard in every direction, whether it's wholesale, web, newsletters, but I only have so many resources.

Researcher: Right.

Client: and ideally pick the things that I'm good at and focus on those, and hire help for the things that I'm not.

END

## **Incubator B – Director**

Researcher: We can go ahead and get started, so if you just want to briefly tell me your role at the incubator.

Director B: My role, I'm [REDACTED], and my role is the executive director of operations as well as technical assistance for the designers, I guess it's technical designer, but offers technical assistance to the designers in the incubator

Researcher: And I'm going to go thru questions that I have written down but if there's something that you can't answer that's fine.

Director B: oh it's a lot of them I can't answer I already looked at the paper you sent me that's why I called Christine, and was like you got to talk to her because I don' have any answers to this stuff.

Researcher: Ok. So funding, do you know anything about that?

Director B: Well I know it's funded through the city I believe, but she can be more specific. And those are our partners all up on the wall

Researcher: Ok. And, who's primarily involved in determining the organization of the incubator, like how things function here? Is that through [REDACTED]? Or is that just...

Director B: No, that's through the [REDACTED] Fashion Foundation.

Researcher: And can you go into a little bit more detail on that?

Director B: Well the fashion foundation, [REDACTED] is the founder and president, so how she started it and why she started I don't know. I know the incubator sits under the foundation, and then for the incubator I run the operations of the incubator in conjunction with [REDACTED]. Then we have two other people one that's department I mean, director of retail and international business, and then we have a director of external affairs.

Researcher: Ok. And then can you go over the process for admitting designers to the program?

Director B: Our program is an application process. There's an application that they receive, this year. Ok, so this is the inaugural, being that it's the inaugural year everything's brand new, so I came into the program, but now that I'm here I've changed some things, the application process is one. So they receive an application which w market thru social media, and through handouts, and through outreach channels, and then the application process is online. They can copy the application they can also submit it online. And I don't know how many pages it is but it goes through 3 phases.

Researcher: Can you go into what the 3 phases are?

Director B: Ok I'm gonna try to remember them, so they fill out an application, they send it to me, it's weeded down to a certain number, you know what I'm gonna have to look it up and tell you because I have to much stuff to remember these days...

Director B: ok there we are. Ok here we go, so, for the phase one let's see, they apply with the application and they also have to submit a 350 word biographical statement.

Researcher: ok

Director B: and then, they also have to affirm eligibility. And then at that process there's a selection crew that reviews the applications that are submitted, and then we narrow whatever group down to 20 candidates and then move on to phase 2. And in phase 2 each of the 20-something candidates are asked to provide specific information which outlines various things such as the short term and long term business goals, and objectives, how the [REDACTED] business mentoring would encourage and enable applicants his or her design and career plan. WE also want to find

out outline his or her existing business including a current infrastructure, so I get a better idea of what type of company they have. And then we can get a better idea of how they want to grow their company or which direction to move, or even if they're thinking about moving, because what I've learned from this first one it's like, they come in as individuals, they have individual ideas, they're self criteria they've already filled out they could care less about the criteria and then they kind of do what they do. So, with in this case it'll be more about me finding, whatever consulting outside of the advisors and mentors professionals that have, I want to get an idea of that of who's consulting them and what have they learned so far. And just finding if there's a different channel that I can communicate so I can get a better understanding of their company. And then, I want to understand their current brand positioning. And what applicant's envision his or her brand in the future? They're also asked to submit a portfolio presentation containing work from their latest collections and they can do that with sketches, photos, tear sheets, and videos. And then in the third phase which is now down to the 8 finalists, they interview face to face and they have to make a presentation with actual garments, 5-8 looks it could be their current past, collection, or it could just be one-offs that they do just so we can get - I can get an idea of the process, what the construction looks like, and already start to assess who to bring in because the object is to weed it out so you don't get a bunch of brand new start-ups that have no idea whatsoever, it's also part of the criteria, 3-5 years in business, they have to be in business 3-5 years with their company, I don't care if they work from home, they work from the garage, wherever they work from, it's just so I know there's been some work and the business which gives them somewhat standing [?] so 3 years it's understandable if you work in a bubble and you don't move beyond that, but at least you're working and you've been doing it three year so everything's not foreign like fresh out of college. And I can send you the application if you want.

Researcher: yeah that'd be great, and so for the you were mentioning the business plan, having people here that may not necessarily want to grow to a larger business, or is that something - is there an expectation of them to go into like wholesale, or is each individual's?

Director B: It's the individual company, but they have to grow from where they coming', I don't care if they start out as a home-made business, they have to go from home base to e-commerce, they have to set up an etsy site, they've got to do something other than just leave here, still go back home working

Researcher: right so you don't want them coming here just to use the space and then going back to exactly

Director B: well if they need the space and that grows their product and they come up with a better product that works as well. But it's sort of like I want a better product, a better business focus, a better direction, and something tangible. So everyone can start an online business, you know what I mean? Like an etsy site, a big cartel, something that's not that hard and there are various ways to do that without having to pay a lot of fees. So if they're like, oh well big cartel, but then you can set up etsy, but you need to set up something so you can get in the habit of doing that and understanding how that works.

Researcher: right. As the incubator, as an entity is there a set mission statement? For you all?

Director B: Yes. Primarily we're a think tank for designers and we offer shared spaces, like showroom space, office space, and then they have a shared work space and it's completely built out with equipment, various equipment, straight stitch machines, finishers, hemmers, steamers, irons, tools that, seam rippers, buttons, all these kinds of things to help them get their garments made...and I forgot what I was talking' bout. ..

Researcher: the mission

Director B: oh ok so we have an actual mission. Ok so the goals of the [REDACTED] fashion incubator is to support the local emerging fashion industry. By identifying and providing training, mentoring, workspace, apparel manufacturing and production contacts, business planning financial planning seminars, branding, legal assistance, and infrastructure

support to help them develop a well-rounded skill set as well as you know execute their vision, achieve their goals, realize their fashion ideas.

Researcher: And, how was that mission determined, was that among the directors? Or who created that?

Director B: Me and [REDACTED].

Researcher: what are some of the other goals of the incubator program?

Director B: We also have a public outreach section to us, which is the --well it's the [REDACTED], but it's our public programs, and so we have 3 programs under it right now. One is our made in the district fashion program, then we have made in the district business program, and then we also have MID which we call made in the district MID - which is an entrepreneurship program, and that program offers some design and business and prepares them to try to roll them into our designer-in-residence program which is the year long program.

Researcher: ok.

Director B: But, it's a, the fashion business is offered month-to-month and you come in saying I have a fashion company, but I need product, I need to figure out how to make my fashion sing, or I got all that I just want to understand the business. And what it does is offer them a lot of the course, seminars or workshops that the designers in residence get and they do get access to the studio, but it's sliced between when the designers have the space free, and then as far as the seminars and workshops, it's easy because we already have those people on board, so whether they're talking to 2 or talking to 20 it's pretty much the same thing.

Researcher: and that's the MID program, the entrepreneurship program?

Director B: Well that's the made in the district fashion program and business program.

Researcher: ok and how do people get access to that?

Director B: It's an application process also and we promote it thru social media as well as handouts

Christine in

Researcher: ok so they get access to the studio, there's an application process, is there a limit to how many people you let do that?

Director B: no because it's a month-to-month program, and I do the monitoring so I can see since I'm here working with them directly who's really trying to do it and who's just hanging out. It's not about hang out, it's very, I think the public program is more serious because it's smaller, you get an opportunity to get in and get access and assistance, but it's not like the year long program, where it's the process of working I through, It's like if you don't want to get it then...we're finished with that part of it because there's a lot of other...see the list is starting to grow and I want to cap it to say 10 at a time I'm willing to grow it but I want to test it first with 10 at a time and move it like that.

Researcher: So you have the public outreach as well as the goals for the designers in residence, how is the program meeting those goals, how do you measure that?

Director B: Well again since it's the first year, being because it's the incubator process, it's a growing process, but so far it seems like we're on target

Director A: we're beyond target

Director B: we learned through the process that you know being that what was set up before, couldn't be followed, we couldn't adhere to that directly because you have 8 companies at different levels, so you some may not need what other's need. Ultimately, we think the seminars everyone can benefit from whether they've been in business or not and it's easy for us to kind of monitor that, by just saying but then we need to see your financial plan we need to see

your business plan we need to see your cost sheets, we need to see your line sheets, if they don't have those then we're clear you need to be at the seminars for that reason

Researcher: right ok. Can you go over again just a list of the kinds of services that are provided thru the designer in residence program? Specifically?

Director B: A whole entire list? or just basics?

Researcher: if you have a detailed list that would be preferable

Director B: Can I email you?

Researcher: yes you can send that to me;

Director A: do we have the little rack card?

Director B: I think we're out but I gave her that information, she wants the fuller list, it's a fuller list which Jackie put in the [inaudible], because I have it, I'd be reading for days, so I didn't want to do that

Director B: so we have shared showroom and conference room space, work space, those curriculums in fashion and business, and retail opportunities to pitch the designer's collections to buyers and investors, also we provide publicity opportunities, small business technical assistance, high growth with technical driven mentorships, commercialization assistance, workshops and seminars in fashion design, and in commerce and e-commerce. financial planning, business registration, branding, networking opportunities, we connect them so they can submit applications to factories, put them in touch with seed-capitalists, and um get 'em in front of the right audience for structured loans.

Researcher: Can you explain what you're - the tech driven mentorships, what that entails?

Director A: you said the what?

Researcher: The tech driven mentorship

Director A: I mean pretty much like 19th amendment is one of the tech-driven projects, it's online platform that is in partnership with [REDACTED]. So that's on the retail side of things. [REDACTED]'s I'm sure he went over the different units of the incubator, operations, and retail, international, and external affairs

Director B: yeah she got that; she got most of the questions she's asking

Director A: ok. So 19th amendment is a tech-driven project. As well as we just reached, well we didn't reach out I guess they reached out to us, the tech shop in [REDACTED]. We went to have a meeting with them and they're looking to form a partnership with us, which I'm waiting for the MOU to come over, so what that entails is laser cutting, 3D, 2D printing, so it's pretty much you know how you have makerspace, this tech shop in Arlington has an apparel textile division, and because we're a fashion incubator and they have to build their apparel/textile division they want to form a partnership with us to do a pilot to see how they can actually start to get fashion designers into their tech space. So our designers will have free access to that equipment over there.

Researcher: oh ok. That's awesome

Director A: but we're still working out the partnership so, we have 6 months left for this class so hopefully they can get over there and do some interesting things before this class leaves, but definitely will be open for the next class the 2016-2017 class that starts June 1. But that's pretty much the plan is to have that tech partnership and then because we're growing so fast we're looking to we're a partner in a project called Idea PLEX DC. Which is gonna be a cultural facility here but that won't be up and running until 2017 at the historic strand theatre here in [REDACTED] and our incubator will have a fashion tech lab within ideaplex. So, that's the thoughts and the plans, like I said it's like we're kind of running faster than we can even keep up. And that's because we opened and people are reaching out to us to form partnership. And it just makes sense, because you know, the new age. You know these milleniums or whatever you're called, this tech stuff. I guess the other piece too is the digital media piece that we have a partnership with

studio 202 here they actually just emailed me this morning for us to get ready to figure out our schedule of them getting in here and doing some digital media stuff with our designers. And then the other tech piece is of what we're putting out there with this class this year. Is we formed a partnership with the Smithsonian institute African Art museum, and papa who's actually here so you may have a chance to talk to him because you know at least he's in, you have A designer in the space today we didn't think any designers would be here, but he and he can show you, he's great at digital media and illustration. And so they'll be doing a digital media special exhibit and program at the Smithsonian institute African art museum April 2 2016. Yeah. So like I said you know we're not just creating clothes, we're doing a whole lot, more which is good.

Researcher: Can you expand a little bit you know the operations, retail, international, and then external affairs can you kind of explain what each of those is.

Director A: Well in nutshell external affairs, which is what it means, it means partnerships, external partnerships. So like for example, Jennifer just got the MOU, which is memorandum of understanding signed from the department of commerce, the US department of commerce. The department of commerce deals with trade, commerce, import, export, and she closed that with the international trade administration unit of the department of commerce because we have international designers but as well as our domestic exporting we want our international importing. So that's why it kind of makes sense of global fashion business and having this international cross-cultural piece, which makes us, unique, because this is how you do business,

Researcher: right

Director A: just yesterday I was with a designer from Italy that was here for a week and he went to the city to the deputy mayor of planning economic development to figure out how he can get ready to import his kids coats, his kids outerwear from his family business of 50 years in Italy, here to the united states. And what's interesting is how everyone's coming and wanting to form partnerships in [REDACTED], but he has no relationships in New York.

Researcher: yeah that's really interesting

Director A: yeah so he came and he met with me, him and his managing partners, and so of course I pitched, if you're gonna come we have the international piece you know and to get access to department of commerce partnership with international trade administration they will be able to walk him thru getting his garments, his coats, his kids his childresnwaer imported here, but you need to be a part of our program, we're not just here to just do it. Because it took us a minute to form these partnerships so...that's where we're kind of creating the structure but it's evolving because this is the first year, we're only 6 months in and we're learning a lot so that we can hopefully get it to the point of being solid and sustainable by the next class and the next class and hopefully by 2024 when this project ends or partnership with [REDACTED] ends, we have gotten it pretty much solid and expanding into other areas you know, either our own big cultural facility, called the fashion incubator on the building, like the dance institute up in [REDACTED]. I think that's what we envision happening during this process. Do you [REDACTED]?

Director B: yes.

Researcher: Can you go into that a little bit, like as your total vision for that year, because I didn't realize, so your partnership ends? IT has an expiration date.

Director A: this partnership ends 2024

Researcher: ok

Director A: so we have some time

Researcher: you have a good bit of time

Director A: yeah we have time to get it right.

Director B: That's what she says I ain't going to try to hear all that. The reality is we have a 5 year partnership so we can't roll out in year number 3 but I'm trying to position it by year #3 we have enough funding to start building a building and we have to roll out on them prior to that lease I don't see a problem with it but she would have to handle that because me I just go in

Director A: he's just gonna leave, he's gonna pack everybody up and leave

Director B: I've been an entrepreneur all these years and like all the red tap and all that stuff is just a bit daunting at times because it takes up unnecessary space, but at the end of the day we would like to get out her, she'll still be here, but have all the designers over at the new building, we'll put the public program in here for the last year or two,

Researcher: so can you into more detail on how you work with [REDACTED] or what kind of influence they have over your operations if any?

Director A: Yeah, I mean the thing is it's a great partnership it's not exclusive to [REDACTED]. Their executive director or VP it was his brainchild. IT pretty much was his corporate responsibility, his give back to community development because he was with [REDACTED] with 40+ years but he since has retired June 15 2015. So, this was just his thing, he wasn't looking for it to make money, he wasn't looking for I mean even in my partnership agreement, he put in that they're not responsible for my operations, they have no say in my curriculum, he put in there that [REDACTED] would engage and we would engage in 2 events a year which are the - you know their spring/summer presentation, their fall/winter presentation, but you know he's gone and that hasn't happened so we've come to realize that we just got to do it on our own, which we have formed partnerships with the W hotel to do our collection show which is on February 3rd, I think you have the invite, so if you're around please join us. So you know the intent from this executive VP was pretty much I want to discover the next Ralph Lauren, I want to discover the next Calvin Klein, well he's gone, so of course now you have other people who have taken over they don't have that same interest, so what they've done I'll say, the political answer is, that they've given space in-kind and they cover the utilities you know the light bill, the utilities that happen here. So space and utility so they're in kind donation to the emerging fashion community here in [REDACTED] is 100,000\$ a year, of course that's in kind, it's not like we get the cash, and I will say too, you know we have access to them, we have access to their buyers, we have access to their media and marketing, we have access to their visual merchandising unit, which they work with [REDACTED] already and they've already created a window which is big for fashion to have a department store window, that's already happened and [REDACTED]'s a great partnership so it's really about the access and the opportunities and the resources, and then it's just a matter of how we engage each other for what we get out of it. But I will say to date we've already had a window; [REDACTED] has a calendar of maybe 2 or 3 more windows? I don't know

Director B: yeah you did tell me that because the cherry blossom window is like up in the mix and our windows got canned for January that we were supposed to already - that got totally got -- it was canned because corporate = corporate mandates change and so when corporate mandates come down all the other stores that we're part of whatever corporate new york says. So they tell them their schedule and then we would work out a different schedule but now this [inaudible] so I don't know my meeting yesterday was cancelled. And that was the meeting to talk about the full schedule of the things we have to loosely discussing we're going to finalize stuff. But...

Director A: Yeah, so far we've had one we would say and then you know it's turnover changes, people retiring, people getting fired, people getting hired. And then the fact that this is retail corporate, things come in we got to ship but again it's really the opportunities because as soon as someone new comes in, like Ed was our VP that was our point of contact, but then it got switched to the VP of media/marketing Alana Kazan, and at first it didn't sound like they were really interested, but they were marketing so you would think they would market the crap outta this you know, but all of a sudden she had Robin Gavan pull surprise writer in here showing us off, which was great, and then she contacted us and brought us all up to new york and had 6 buyers and the head [REDACTED] buyer in a meeting.

So it's kind of like they have so much going on they're not thinking about us so we have to engage them in but then we have to constantly email, every month, every week

Researcher: you have to initiate the contact

Director A: you have to. And you kind of really have to put it in their head, it's like you got to plant the seed, like can we do this? Can we do that? And it's either yes or no. But then guess what we can ask the same thing within a month later and then than no became a yes, so it's one of those things. IT's like for me to deal with the politicians and I have an MPA and to start in politics and then here I'm in fashion, you'd think I'll be done with the politics, but you're not it's just a different kind of politics.

Researcher: And I think you answered this next question, so you told me some about how you work with them, but how is it funded? I know you have certain partnerships, like what other ways are you funded for everything to run here? Is that all thru?

Director A: Different partners, all the partners are listed up here and if you have the rack card, it has a list of our partners, also if you go to the [REDACTED] Fashion Foundation.org, and see [REDACTED] Fashion Foundation sponsors you'll have all the partners and sponsors because they're growing everyday, like I just looked on there and I saw International Trade Center? Oh I saw the commerce logo and I saw the Ronald Reagan logo, and yeah I asked for it but it wasn't reality till I looked at it like, oh we have a partnership with them. So, they're growing everyday, but people are jumping on board, so you'll see the listing there, but the Prince George County Arts and Humanities Council is a partner, but we're located [REDACTED], but you know [REDACTED] not a state, it's a city, so you have MD and VA, so we always say [REDACTED], but they jumped on board immediately, but the [REDACTED] Arts and Humanities council did not, which is interesting because it's like we're here and we're developing DC designers and more importantly we're developing these designers to open up in [REDACTED]. Prince George County got involved because they're right over the line but more importantly, they see the big picture. So the executive director Rhonda Dallas, she sees that there's opportunity like when MGM Grand opens up, you know that's opened up at the National Harbor, are you from this area?

Researcher: No, I'm actually from North Carolina

Director A: you from North Carolina? Do you know anything about [REDACTED]?

Researcher: Not too much but I've been here a few times

Director A: Ok so as I talk I'll give you an idea of landmarks and where things are. So pretty much like that Prince George county partnership getting involved can lead to a bigger facility but in the MD side. F Baker is the county executive that's like the mayor or whatever of that county, and so his intent from an economic development standpoint of getting involved is because at some point we want to do production you know like small sample runs. So like a trained trainer type project will happen and that production facility of course they will want in prince George county, so everyone even though they're involved, what is their return on investment? Well their return on investment is for us to bring production to Prince George County, so therefore to create jobs for them. And then you know we have deputy mayor for planning and economic development, which is [REDACTED] here, is one of our partners - one of our funding partners. Another one of our finding partners is the [REDACTED] housing and community development because they see the community development piece of this project, so of course their return on investment is for us to have them open up business, boutiques, or get their clothes into boutiques here in emerging commercial corridors, so then guess what that creates jobs in [REDACTED] > The only people that haven't followed thru yet is I started some dialogue with [REDACTED], you know [REDACTED], no actually [REDACTED], last year and we just been going back and forth with trying to schedule a meeting, but mayor Yule was the mayor of [REDACTED] he since has lost, so I don't know if it's gonna be an interest anymore, so I'm just taking it one day at a time because I'm like we really kind of have our plate really full now with just the partners that we have and me just trying to make sure that I give them what they expect. And keep them happy because we want them to keep putting money in the program, but then also too we're targeting national funders like the national urban league, the MOU drafting up [REDACTED] they called me MR. Martin Morell, asked Joshua where are you at with Christine and the partnership agreement?

Director B: Great well where was he? Because he wasn't doing much

Director A: They kind of all shut down over the holidays. You know so his VP Mr. Martin Morell is the president of the national urban league, so they're based out of new york but they're huge you know, so the president asked his VP where was he at with our partnership agreement and I guess he reported, oh I'm gonna have a conference call with Christine that was Tuesday, so then he calls me and I'm like ok well where's the agreement, and he's like well can you draft it up? Sure. And I'll put everything in it that I'm asking for. You know? And then hopefully legal doesn't take everything out you know? So that call happened Tuesday, so I'll be working on that over the weekend.

But I have to say it's great, we have local partners, we have national partners, and when I say national the US SBA is a partner, the USDC is a partner, we have international partners from Peru which is the Apparel textile division of prom Peru, which prom Peru is the quasi-governmental entity that deals with trade and promotion - commercial promotion and stuff like that in Peru. They funded part of the project for the Peruvian designer - is this someone meeting with you? - And then we have our African partners, and then we have the international trade division of the Ronald Reagan ... they have since connected us to Saudi Arabia, to Iran, to Egypt to Colombia, brazil, and then I met with Italy yesterday. It's crazy

Researcher: that's crazy, but that's what likes, that's what textiles is, it's like everyone's involved in every little piece of it, so it makes a lot of sense.

Director A: Yeah I mean so we're growing really faster than we really can keep up with. I mean we had 8 designers in here. 3 international and 5 domestic. They one of our domestics [REDACTED] who made this dress, and she's Mexican born but lives in the dc area now, so she's a US resident, but she's already been picked up by a boutique that we did a pop-up in so she's already got a purchase order. Papa has been picked up by the Smithsonian institute to do a special project which takes 5 years to even get in the Smithsonian institute, and I was able to close it within a matter of 2 meetings, and because I already get federal government contracts I'm already a part of the SAM, I get SAM or sam.gov, strategic alliance memorandum of understanding, because I have all these SAMs with these federal entities, I was already in as a vendor.... federal government so that closed immediately so he's already connected with that,...and then you see all these buyers that RSVP'd for the February 3rd event?

Director B: I'm not even looking at that, got so many other aspects, I don't even know about how to see the RSVP list

Director A: I'm just putting them in the folder so

Director B: Oh yeah we had to work that out, we got a [?] sheet well you know you got the minutes right?

Director A: yeah and I saw the Google docs but the thing is and I don't mean to keep saying it like this, even though it came over, is there any information in it, are they going into the info? And taking the names and putting it in or are they expecting us to do it?

Director B: well no she left it for us to do but if you send a list and say that's whatever

Director A: I'm not sending any list that's what I told them

Director B: Ok well then they gonna go to the folder and then each one of us go to the folder and put it in

Director A: yeah, but I mean I see the names coming over only because it's linked to my phone, and today like it's 10 buyers

Director B: that's great

Director A: but the thing is I hope, I don't know my brain, I'm very strategic, I guess mainly because I'm always chasing money, so my brain functions a little different, and I always look at something of how I can make more money

Director B: yeah well none of our brains are like that well my brain is getting a little more like that but you see other things that they're not seeing on that so those angles got to be worked,

Director A: exactly so guess what, the angles should be, remember we were saying - well Jennifer is external affairs so she's dealing with the media and the press and the marketing in our PR partner. For this February 3rd event. So, we have Saks Jendel which is a specialty boutique, the head apparel buyer RSVP'd bringing someone and the accessory buyer of Saks Jendel, that's 4 buyers right there. IK Retail which is a huge retail group here, that any luxury brand coming from Europe Gucci, whomever who wants to open up a boutique here in DC they go thru this guy as a consultant before they even come into our market. His emporium DA buyer, that's 5. Then I saw about 4 or 5 buyers, that's 10. From a PR standpoint, we have what is called DC fashion week here but please don't write that because it's not ours, somebody else does that, but he does it for profit, to sell tickets. You don't sell tickets to a fashion week, buyers and press. The whole point of a fashion week is industry, to get buyers and press to really move sales, Sales purchase orders get's people in placing orders, or writing. That PR spin [REDACTED] should be we are the first entity to actually get buyers to an event here.

Director B: I don't know if we're the only entity

Director A: we are the only entity that's ever gotten buyers, every event that happens here are for the socialites.

Director B: yeah but we still don't know we can make that blanket statement

Director A: because we got the RSVPS

Director B: but its fashion - what did you call it can come in and say we got buyers to come to our events, I don't know fashion star, I'm just saying that's a blanket statement

Director A: What's a fashion star?

Director B: I don't even know, I don't care what they're called it's fashion something it's fashion international is what it's called.

Director A: fashion international doesn't make own fashion shows for buyers and press, all they do is trend shows

Director B: ok I don't know. I don't know if can say it's a blanket statement

Director A: and that's a blanket statement that's true, because then you actually show you're RSVP list and say we are the only fashion entity that has ever gotten press and buyers to a fashion collection showing

Researcher: in the [REDACTED] area.

Director A: yeah. I mean because every event, [REDACTED] is known for media. [REDACTED] if you say fashion in [REDACTED] they'll say it doesn't exist. So every fashion entity here is more media driven, and is more marketing driven. It's not what we do. What we do is economic development workforce development, community development, it's about business. So we can actually say we're the only entity that's focused on doing that business, all the others, marketing is marketing, that's not doing business that's just promoting. The events that happen here is all about consumers coming to a shopping event. So, that's a retail event. That's a consumer driven event, this is actually developing designers and actually having buyers come and see their stuff to place purchase orders, that's business. Also I can have a blanket statement as that because I don't know of any entity that's actually getting buyers to actually see collections and then potentially making purchase orders.

Researcher: So they're gonna be doing that at the fashion --they're presenting at fashion week or

Director A: no this is our fashion collection show

Researcher: your independent show. Ok and [REDACTED] mentioned you have a showroom?

Director B: no this is the showroom we in right now.

Researcher: ok so do buyers come here as well?

Director A: they can they just have to schedule meetings.

Researcher: ok

Director B: and they probably clients can come as well (?)

Director A: yeah so as much as possible it's really about getting everyone in the space, really the people doing business, and the space. Because this is technically like their office, their studio their you know if they had a studio, workspace, office space, conference room, showroom, this is it for the designers here

Researcher: and the equipment is that all provided beforehand by --

Director A: by us yeah.

Researcher: ok

Director A: it stays here it doesn't go

Researcher: so everyone's doing their own construction there's no production people

Director B: not for us, each one is an individual company, so any company comes to the table already has an infrastructure, me myself I have production people that work for me and I make samples, so if I came into this program, it would still be that. I'd have my production, because I'm running [REDACTED] menswear before I came into the program. I'm coming to the program to maybe get what I don't have or see what I'm missing or be exposed to the latest business or whatever like that. But it doesn't stop what I'm doing. We personally don't offer production, no, because we're not that, we're a think tank, we and from that think tank we offer these services, so

Researcher: can you connect them to a resource for production but you don't necessarily...

Director B: well we can by resources, but more importantly my goal is to get them not to really do it for them because unless somebody is already in their company doing it they've been doing it themselves or they need to understand how to utilize interns and people like that. So this is to give them the tool, I will I do talk with them and work it through, but to do the work, there's no learning in the process, we're not, I'm not getting paid to do their work, I'm getting paid to assist them and get them thinking about the process

Director A: the process, and knowing the questions to ask, knowing what to look for like he's like their master mentor. You know, that so when it is time for them to need production, [REDACTED] gives recommendations of all of his production people in new york, or like I had a sample maker come in the space and interview, so we have her resume on file and the pretty much we - I gave it to [REDACTED], I gave it to papa, and said here but at the same time, this is just a resource and a recommendation, you have to interview, you have to see their work, you have to do that like you're hiring someone staff on your company, we're not doing that because we don't work for you. Your company's your company; we're just here to mentor you thru the process. That's what an incubator, incubators all about development, you know maturity. You know when you're premature, that's pretty much what they are they're emerging they're premature designers, so they're a premature baby, they come in the incubator, we put some heat on them and we grow and develop all their organs so they can thrive in the fashion world. So a baby and thrive in the world, that's what it is. That's the best way of describing what's happening here.

Researcher: you had mentioned there's a big component of community and economic development in this area, do you have any sort of expectation that these business will stay here? Is that like in your interview that's something that you would be looking for versus somebody who wants to grow and then move to another place?

Director A: now see this is the thing that's why we're so good at how we got 10 local buyers, because then they're gonna pick up, they're gonna pick them up and then their product is in the boutique, so their brand has stayed in [REDACTED] all of them are required to also get incorporated, which we had legal people come and talk to them

about incorporation in [REDACTED] because the intent is like our native Washingtonians that were born they want to take pride in [REDACTED] so they will want to have their brand incorporated here, and they will want to whether they're in New York, Atlanta, wherever, Chicago, but they also have a presence here, that's the idea is for them to have a presence of business here. As the buyers pick up more brands coming out of the incubator hopefully that will bring more sales to their boutique so that in turn will make them hire more sales people to work for them, so it's a trickle down effect of economic development and community development, at least you know that's my logic of it.

Director A: because it's all about economics. Yeah. You know. So, supply and demand.

Researcher: So I know the program is 1 year correct?

Director A: yes for each class

Researcher: for each class. IS there a specific path or any sort of benchmark, checkpoint anybody has to do or is it very open? Can you kind of describe their one-year process?

Director A: yeah they have to go through a curriculum, and you want to tell her about the curriculum

Director B: yeah I told her

Director A: no the curriculum, like their PR class, cost pricing class they had the clothing finance class

Director B: because those were seminars I didn't write those down. They're from external affairs. Ok let me start, so what they had so far so they had a two day intensive training with someone from the industry who used to have some [ ] lines but he knows all about offshore production, the process of production, he knows about financing, he knows about how to get money how to find money, then he knows about sales merchandising, sales presentation and sales pitching. He did it as a two-day class and went over the financials and all that. So that was a 2-day seminar. They've had some seminars where they've met with boutique owners where boutique owners inform them of how they shop what they're looking for, about brand identity, about their visual when they come to a boutique and how you know, they make it or break it from the door, and they think they're gonna get in and be able to give this pitch and they a mess but they clothes look fabulous but sometimes it's like you're looking at them and going ok I've turned off the [inaudible]. They look a mess, it's not even creative, it's just. And they think well I don't have to get fix up because my clothes do all the talking and they don't understand fashion is fashion. So if you look a mess, no one's hearing that your clothes are fabulous, and they could be drop-dead but it has to be a whole process. Then there was one in marketing

Director A: yeah Leann

Director B: we had NYFW, participants and so there were seminars from those who have already been in showing during -- yeah whoever had the experience doing the show.

Director A: we had Leann Stevenson who was she has a showroom but she came in about branding and PR and then we had Leah? George the CEO of Freedom and I think that was another branding PR perspective on - like a different perspective on branding/PR. We had Darryl Maxwell with the [REDACTED] Bar Pro Bono Center, he's a managing attorney, he's the one that came in to talk about business registrations, nondisclosure agreements, copyright registration, more the legal stuff. And he left his cards here because they're pro bono, so that was free legal for them they didn't even take advantage of it, did they?

Director B: um yes, one actually did that I know of from when I spoke with her about it, she actually did follow up with the legal part, and then that led to 2 other people that led to some other people, so she's been she's followed, so one or two of the designers I've spoken with have followed thru. And then a bunch of other ones that just overwhelmed, so once they get it together being overwhelmed and realized if they're really trying to do this or not then they have to make a decision for themselves if they're gonna invest the time into it or not, if they're not gonna invest the time, then what they'll be shown or what they'll see by example is it's only is going to go as far as it's

going to go, but if you're serious. And I think the program also helps, like these programs help decide is this really what you want to do? You know you go to college for 4 years, you spend all that money and then you get out and go I don't want to do any of that, and your parents go crazy 'I spent all that money into you' so they have to decide that as well if they're going to take this knowledge and grow it or just be on the end of being difficult. If they're difficult they'll have to realize that's the reason their business is not successful because of them.

Director A: right and we had a trend forecasting seminar, what's her name, Latisha Winston, came in for trend forecasting and then she came in for tech packs. The technical you know pack that you have to develop for manufacturing. Right. So she did 2 different seminars and then...we probably need to write down who's actually come thru here because,

Director B: Jennifer has the list; it's just a matter of getting a list from Jennifer is all

Director A: well this list she gave me is not even accurate, she has trend forecasting Michelle grow, that's not who did it. Yeah Latisha Winston did it

Director B: well did Michelle come thru and do something as well?

Director A: no she did not. Who else came through here? They've gotten a lot of training

Researcher: so they have the curriculum...so all these different types of things that they're learning

Director A: yeah one of our mentors came in from take5 boutique and had a seminar with them, I would say that' was probably more of giving my business perspective of being an entrepreneur and running a fashion business and looking at emerging designers, because she's not a designer she owns a boutique, so I think she probably gives more perspective of what she looks for with regards to look books and buying from designers, and then I know it was a professor from Buey that came in ...and she did cost price sheets with them? Remember her [REDACTED]?

Director B: yeah.

Director A: what's her name? Dionne? The one from Buey, no? She did cost sheets, so we're going to have to really put down who's doing what, but that's a lot. With me just rattling it off, these designers have actually gotten a lot and that's results. That prepares them for what's next and what's to come. So I would say the only thing they probably need left just small business loans, the maybe

Director B: a solid business plan, a solid financial plan, if they're not tryna make a strong business plan they need to make a financial plan based on just how they're spending their money and to get at least understand what they're spending and what they're not bringing in so they can understand how to either restructure their cost, or their garments, or how to go out there and get more money and one of the seminars they had made them look at exactly that, this is what you're spending, now what do you want to make? This is what you're spending; now this is what you're not getting. So do you realize you're spending 3-400\$ extra \$s over what you think and your money what you're making is not covered so you're still out of pocket, that's why you're not successful and they were sort of like 'uhhhh' well I was looking at well I was thinking... and they had all these different ideas for all these different things they saw, they just changed the wording to work better for them to hear it and that's not what they're saying, you're hearing that because that's easier, because lazy is a real big problem, and being lazy is a big problem and inside, like I said I drive myself, because there was no one to -- I didn't see any results, so I just always assume, if you're a small company you don't see any results, I was dying for something like this when I was and I went to Pratt, but I was out of Pratt and you start your business, I would've loved to be able to move into an incubator just to get the extra knowledge, because it's experience from people in the industry, and professionals within various aspects of what is attached to the industry. So, I see it as a win-win.

Researcher: so with the mentorship, is that the mentors the ones who are giving the advice on these things, besides the outside seminars?

Director B: well the outside seminars are part of our mentor

Researcher: ok so how many mentors do you have?

Director B: 12?

Director A: total we have 35, but

Director B: I think we have about 18 that are active because I remember us discussing it and she was saying it was a smaller number than what was on board, and she did she said she reached some of them so now we're going back to our list and following up because now she's gonna get rid of those who you now because they come on saying 'yeah keep me in mind' and then you believe that you keep them in mind and then you reach out to them and they don't, or they offer an excuse, you know they run companies, so , we don't know what to say to them until now we'll say something different.

Researcher: how often are they accessible to the designers? Is that dependent just the specific person?

Director A: scheduling

Director B: just scheduling they're available as long as it's scheduled

Director A: yeah we have a book down in their resource library right there, and it's a - we have a listing of all the mentors, we went through their operations, their policies and procedures, for the incubator, and so this is down here and you know they probably don't even utilize it, but they have access to who all the partners are, who all the advisors are, the advisor committee, the partners, all their emails, all their contact information, they can pull this out at any time and contact any of them because they're their mentors and say I need help with such and such and schedule it. But I don't think they're being proactive, they probably don't even remember this is down there and have access to it. Because they - Jennifer can do it but they can call as well and say - I need help with writing this business plan can you help me?

Director B: yeah well that's not the way we're gonna do that

Director A: well I mean at the end of the day they have access to it, that's what a mentor is for.

Director B: yeah but we would prefer to get an idea of what they want and then bring it to the mentors because we don't want to do is waste the mentor's time, and they're not very articulate on what they want.

Researcher: ok so you're kind of, you can be the go between, the filter

Director B: well I like to be the filter because I don't want the mentor's to be in the position of 'why are you wasting my time who don't want to whatever whatever' so what 'I've been doing is putting out and saying this is available I want to make sure you tap into it and if they don't want tap into it then it's on them. Case in point, we had a woman come in, she's a sample maker, she's local, she's worked on couture houses and all that, they kept screaming about making samples, making sample, making patterns, making samples making samples, finally I just said to them recently, I'm sending this to you guys again, because I see you're not keeping a folder, but you have this resource and these are the two resources, and now they're like 'oh I called her and she's great' but you've been crying for 3 months, like when are you gonna connect the dots, go into your [REDACTED] folder look and see if there's a thing you've overlooked that already exists for you that may help you, and then if you don't start running to new york and running to Baltimore and all these kind of places.

Researcher: that kind of brings me to my next question is how -- is there any sort of assessment both the program and or designers themselves? Like do you have checkpoints, do you have

Director B: the designers have an assessment, usually there's thru various departments we do a quarterly review, every quarter with the designers, and there's a list of questions that they are asked and that they can answer, then they get a chance to respond and remark and offer their idea - their thoughts about what's going on and what's not going on and they get to make suggestions as well, and then during the process lots of times they'll suggest things,

and it's like oh ok you didn't get that from the Leann seminar, and its like oh well I wasn't here, oh well I missed it, oh well I was late, so and so was supposed to write notes for me. Ok let's start again the reasons why you don't know any of this are because you didn't take care of yourself? And your business? Got it so check.

Researcher: "Ok, so the quarterly reviews is a chance for you to evaluate them as well as evaluate, give the program feedback.

Director A: Well and then at the end of the program, like [REDACTED] was saying, they'll have to deliver their completed business plan, their finance plan, and so forth. At the end of the program, to really and we'll evaluate that because that's kind of like for them to graduate the program. Now I did text [REDACTED] which we have to have a conversation about, I wanted to take it a step further, which may be a little incentive to them getting this done, because they seem, like the finance person that came now he's calling me and he's saying they haven't submitted their finance plans - they're not serious. And I was like well you know they do this and they seem to do one thing at a time. Like when you're doing this. I'm just going to do this. That's not how you run a business you don't do one thing at a time. So I said to him, well maybe I should have you, I should have a big time investor that he knows of that wants to invest in emerging designers, and then the Hilden group which is the factory company that I know the president and CEO, and they have to pitch their business plan, and closing finance plan. What do you think about that? To get investment into their company and that will make them complete their...

Director B: No, we got to stop that kind of thinking and we got to stop thinking like we would, because we're driven. There's no drive, and there's nowhere to go and we're not going to waste these peoples time. Because I'm getting feedback from people in the business about how they don't want to waste their time, but our market has changed and shrunk a lot with just money and time management, so no one's gonna really do that unless you're serious. That's the reason.

Director A: So don't have a pitch session? I think that's like shark tank

Director B: No, I'm fully not hearing, I think maybe we're just saying it's great, because I'm just like...if you just understand so many of the pieces and it's like I get it but, ok, I didn't really fully hear it, so if she said she sent me something I'm sure I didn't see it. But I will see it today, so I don't know...

Researcher: So, ...people who have you guys have - they have an expectation they have to be in business 3 years before they come here, yet, are they really in business because it sounds like...

Director B: well that's what I'm thinking; this is what happens through the process

Researcher: and I know it's the first year so this was kind of a test

Director A: no but that's every creative. They say, I've been in business 3, 5, 7 years, but really they don't know what that means to say I'm in business. Just because they're maybe selling their handbag to their sorors, and they getting some pocket change, I'm in business. But then, when I say let me see your business plan, they may have a business plan, and they may have all this but it's just not, it's like I've seen business plans, and this is an outline, this is an outline, this is not a business plan, like you don't have a 5 year pro forma, you don't have a -- so that's where they need the lights, the development, because they have bits and pieces of saying I've been in business you know? And I've been running a business, but then it's like, but this isn't a business plan. A lot of creatives they don't, and to tell you the finance person came down, and I was about to smack him upside his head, because he told them I just want a clothing finance plan, no one cares about your business plan. Don't tell them that because then they won't do their business plan. Any business that's incorporated, you need a business plan. Your business plan is your blueprint, and your business plan can change, you have short term and long term goals, you revisit our business plan, the idea is to revisit your business plan every 3 years, or every 5 years, and update it, but you can update it as much as because you might have to shift, and turn, and jump, and go thru hoops, and you get different investors so your business plan changes, but one I looked at I was like 'this is an outline this is not a business plan'. I have how is this gonna guide

me if I had to take over --say I bought you out and I had to take this business over I wouldn't know what I was doing. So yeah.

Researcher: So for the quarterly review, are there any metrics you guys go thru? Are any of them making money where you can gauge profit gain? Or is there a target hiring interns? Or ...employing new people.

Director B: well we're not here to tell them how to run their company, we're here to assist them and then you point out where you're lacking and where you might need to make changes, because I've found when you say directly what needs to change, they don't hear you at all. Then, when they come to me with the whole 'I don't know what's going on' I just bring it back up and said it before; well did you try that from 4 months ago? Because we had you try that and then you come back and say you don't have a way to go out and we can discuss that, but if you're not doing the work and I know it's a lot and you're overwhelmed, but understand what you're getting into. So then maybe what you're saying to me is you're fine with the way your business was when you came into the incubator and you're going to leave like that.

Researcher: which is not the goal of the incubator.

Director B: well I said that's what you can do for yourself, but what I'm gonna also need is for you to finish whatever the curriculum or there's an outline of what needs to happen, we have to check those lists, either you're gonna get a no you didn't try or a yes you tried and it didn't work, or yes you tried and it was successful, but it's not gonna be just a blank spot, because you already knew going in there was some requirements to be in the program, and you want to have requirements for your company. These kind of conversations become this whole father and kid type thing, but then they process it later on and then they come back some of them 30 days later, some of them a week later.

Director A: but they also to be back on what [REDACTED] said, they also process it too that they thought they were in business or it really was a hobby, or, because they didn't have a business mentality. So this is a reality check for them too, of do I even want to run this fashion business? Because some of them have come back and said 'I'm so overwhelmed I just want to be hired as a creative director for a fashion house' -- do you have another meeting?

Director B: I have a bunch of other meetings that were scheduled before this came along...

Director A: so, what I was saying was a lot of it too is because really learning the business, the fashion business of A-Z, do I even want to do this, like, yeah I was making money doing this and I was in business but it really wasn't a company. So then some of them are saying 'well I want to just now be creative director for valentino' and can you help me because we develop and we have these contacts' because Elida was a buyer for Saks, she knows the fashion person at Valentino, so thru our resources and because we're connected, then we send their illustrations, we send their resume, we give them a recommendation or referral, so it's also that outreach referral process that happens

Researcher: would you consider that type of, would you consider that a success for the incubator? Or you really wouldn't...

Director A: yeah.

Researcher: ok so if they come here and they end up ending their business but they're going into the industry that would still be success.

Director A: that'd work for us. Yeah.

Researcher: but when you're interviewing people you're looking for people who

Director A: for business, yeah. For business, but at the same time because our, because my mission, because the fashion incubator's a program of the [REDACTED]F, I'm the president and founder of the fashion foundation, I have 3 key programs, the [REDACTED] fashion incubator, Camp Runway where I work with young people, which is an incubator for my

youth starting as young as age 5. Learning how to sew, cut, they learn various jobs of the industry, that's my camp runway. Then I have IdeaPlex which is my cultural facility project, that's for the creative economy, that's TV, music, film, digital media, fashion, that's where the fashion tech lab, and some production, sample making, but really more for the other industries, so the way we plan to have it is studios. So if there's a TV show or greenroom or sound stations happening and they need costuming, guess what they can go to floor 4 and have costume or wardrobe, you know styling or whatever it is, so that's my culture facility. So I'm the big picture girl. You know, [REDACTED] very focused just on this. You know I'm the big picture of you know connecting the dots, and really more about economic development.

Researcher: So in your view, the incubator would make the small businesses, but if they're pushing people from [REDACTED] into the industry, that's still building your economy?

Director A: workforce development, yeah. At the end of the day we want to push them here, we want to keep them here and push them here and grow [REDACTED]'s economy, but if any of my designers end up working for Valentino or Michael Kors or whatever and have to move to New York, that's still workforce development that's still success, but then guess what that's my contact so I can bring them here, and then it's a matter of now I have that relationship with that design director because he came out of my incubator, and then I say oh I don't have a Michael Kors store, in city center's retail development project over here. Why don't you come down here and I show you the stats and everything you need to get ready to put your store here, then guess what I just opened up a Michael Kors store, and then jobs for my area, and building my economy, I am the big picture girl. And that's just how my brain thinks, and they're like oh well we're just going to do PR for this event, No. You're going to connect the dots of making the story a little bigger because guess what we're doing it. And 'well we can't prove that' well why can't you? You got the RSVPs and you got their titles and who they are, you can show that right to the media, so I don't ever say something that's not true, I mean I was a lobbyist, so. And in politics for 10 years, so I definitely go big picture and how to build my economy thru economic development how to build my communities thru community development and how to get people jobs, that's workforce development, so at the end of the day I stay true to my mission.

Researcher: So you went over the assessment, Is there an assessment, does [REDACTED] do an assessment of what's going on here since you have a partnership with them?

Director A: no. The partnership is in kind mainly thru the space and utilities and them and us engaging them and involved any way that we can in our curriculum, but they definitely have stated that my foundation is in charge of operations, so if we're in charge of operations they don't need to assess us.

R: so do you do an assessment of the incubator as a whole or will you be doing that at the end of the year or? So I know we went over for the individual designers, but I mean for the.

Director A: well the staff does the evaluations quarterly, and they will do an overall investment to complete the project, and then I as the president and my compliance monitor, we do - like we've already done our 6 month investment of the staff running the incubator and then me as the president and my compliance monitor staff was just like my HR person will do an assessment of the year, so just like my team [REDACTED] Elida and Jennifer, they assess the designers, I don't. I don't get involved with that. I more or less assess the project, make sure it's meeting it's goals, make sure it's meeting it's targets and then I deal with the partners assessing the project and how it's running. So how that works with all the partners like prom Peru, sva commerce, and all of them are different, so that's why most of my time goes into dealing with the partners, I got to do this report for them this report and get it to them the way they want it. And some of them just want face time and want to have lunch with me for 2 hours, so just because you know they prefer it that way versus me completing a report, whereas my DACD partner I got to give them performance measures, outreach numbers, actual marketing materials, they got to make sure they see that I tweeted them so many times. You know so each partner is different. And I have to stay on top of that, so that really takes up more of my time than anything than me following behind them, that's not my job.

Researcher: well that's what I'm interested in - exactly how you're assessing the project, so as far as performance measures, is that traditional metrics like revenue, or what kinds of things are you measuring?

Director A: well my performance measurements pretty much are the number of sales has happened, number of jobs or employees that have been hired, because even if they get an intern or a sample maker on they've actually brought in someone on their company, I report that. I also report if any loans have been filed, and awarded. Which to date right now none however we do have a performance measure that one of our designers got a purchase order, what is the value of that? How much is that? The other thing is the outreach the performance measures of how many people did we touch this quarter? In outreach and marketing? Meaning like because those numbers lead to if our numbers are gonna be high for when we close our application process, or if our numbers are gonna be low, so during that quarter or during that year, or whatever, if you weren't doing the marketing or outreach to say we exist, then hey the application process opened up, then you get zero applications, then you look at your numbers and you wonder why, because you did no outreach, you know so we look at all that. More or less I would say they give me the data, and they don't know what I'm looking at. So then I put it in a chart, I can actually show you the chart that I've been doing. I put it in a chart and I assess them and then when I have my 6month eval with them, which I call a performance improvement plan, then that's when they get hit with what you're satisfactory with unsatisfactory with above satisfactory with and then you know that's when I get it from you know the staff, they're mad at me, because then they're like, what are you doing like. Well I'm not supposed to tell you what I'm doing, but this is what's happening and then they get upset with me. But whatever I'm the president, so. ...But yeah I do all that. They don't do it, because some of them are creatives and they too don't like the reporting. Whereas I have to do reporting.

Researcher: do they assess anything that's more subjective? Like do they outline things or do you outline things that you can measure it that way? Like if they had a goal that they've set and then they didn't meet it, are you telling them like here why didn't you meet this or is that kind of just up to them to do for them throughout the year.

Director A: No. It's pretty much they have I call it a performance improvement plan, and pretty much like I'll give them a date where you have this time frame to improve this, if you do not pretty much we will have to discuss and ultimately it could end in you know termination. We've already let a designer go out of our incubator, and that's because she wasn't meeting her measures of 35 hours a week, getting in here and working, she was hardly attending the outreach events, she wasn't doing any outreach at all, she I mean the main thing is she was working a full time job and that's one of things that we kind of frown upon, because this is your company, building your company, your business. So she was actually working a full time job but that's she really wasn't able to participate anything, so we were like this isn't the program for you, so Shaka had to let her go. That's Shaka dealing with designers, so they have requirements and then me dealing with the staff is pretty much you know if I'm not seeing the numbers where they're supposed to be then I say, ok you have until x, y, and z to get that up. And then if you don't do that ...I'm not that kind of a person I'm not that kind of a president you know, I pretty much say to them like what I did is well I scheduled on January 8th an orientation interview, a do-over. So now you're going to go thru training. So that's what I do training. Now, if you can't get it after that, then you can...then you got to go. You know? So, and with my team it was more about reporting, they just want to come in and do, they don't want to document and report, but at the end of the day I have to know the number of units, this is what get's me my money. You know when my people see that we're touching 14K people, and at the end of the year, this was the end of the year we touched close to 50K people, they're gonna give me my money when I ask for 50L\$ in marketing you know. The number of businesses surveyed, how many jobs were created, how many clients, this is where I was saying the loans, the total value of the loans or the POs, here last year it was none, but we just got one picked up, so that means for this class we'll actually have some POs, so yeah so that's how I pretty much track everything.

R: My last question, which you kind of covered this a little bit, but do you take an active role in the business development and consulting with the designers, or?

Director A: do I the president?

R: yeah, or does the staff

Director A: We all do. We all are considered mentors to them too, [REDACTED] pretty much is on a daily, because he runs the day to day operations so, you know you may think they may look at it like oh I'm just having a conversation with [REDACTED] no, it's pretty much mentorship, it's small business technical assistance because he's talking to you about business. I have private conversations with them, like yesterday I just had a conversation with Papa because he is only 23 years old, and he now he's one of our international students, so the process is a little different for international versus our domestic because depending on whoever's sponsoring, he went thru a contest at his school, graduating he got selected and a sponsor in Ghana sponsored him to come here, so he's one he didn't have a company. But he's Papa, and he's going thru the program, he realized that 'this is too much for me' I don't want to have my own company; I want to be creative director or design director for someone. Then yesterday he was like because his fabrication is so not strong, he's really strong in his illustrating in his art and everything that's how I've been pushing him, because he's more an artist than a designer, and so we're gonna try to get him an internship with Valentino or with some luxury designer, but he was like - I need to be stronger in design in order to work for these design houses, so he's like I'm thinking can you get my Visa waived, which I have to now talk to my visa partnership, agency culture vista, for him to go to FIT to get his masters in fashion design, so that's where you also look at the growth, the continuing education of a designer, to say, I can't do this and I don't want to do this, because everybody's not fit to run their own company, everybody's not an entrepreneur, when you run your own company you're an entrepreneur everyone does not have an entrepreneurial mindset, so this is the place to figure that out. That's why it's an incubator, because I'd rather for you to figure it out here, than to spend all this money and lose all this money and then figure it out. But that's the only thing is they're all at so many different levels of their business and their thinking of where they're at and their growth, that that's why we're working double-time because it's really like you're providing, you can't you have to separate them all because they all have different needs. So yeah, we have group seminars and group classes, but then we also have the one on one technical assistance, so the mentors, providing one on one technical assistance, the staff provides one on one technical assistance and then I put it to my partners, if they want to come in and provide one on one technical assistance, so like for example Jackie West with SVA, she'll be coming in to look at their individual business plans and give them feedback but then also to talk to my international participants about export business plan. Because that's different than a regular business plan. And then, who is it that won, Latisha came in and she provided trend forecasting to my Peruvian designer, now he's in new york right now preparing for fashion week but she provided one on one technical assistance. So, the staff does it the partners have the capabilities of doing it prince George county arts council, that partner before she was the exec director of prince George arts council, she was a Saks buyer for however many years, she wants to get more involved in our curriculum and provide one on one technical assistance so I also put it out to my partners. Now all of them don't because like my Peru partner I have someone with the trade commission here in [REDACTED], and then of course the actual entity is in Peru, so they're not here, but the trade commission is here. He's like well I don't want to, they just want to give the money and get the results; they don't want to come in. So you know, so at the end of the day these designers have access to a lot of knowledge a lot of people that's been there done that, and then on top of it they have connections to potential resources, to potential buyers, to potential investors, it's really just a matter of them taking advantage of what's right in front of them and to be quite honest this is my 2nd incubator, my first one was a pilot, that I did at the convention center to see if this was gonna work. That pilot was the project that helped me land the partnership with Macy's so it will work, but when you're dealing with creatives it's more work it's like they work harder, not smarter. Because they're not business people, you know. So this is kind of like, that nurturing environment to help them get it, but believe me I'm wondering if they're going to get it on May 30th 2016 when they're leaving the program. Or, July or august and they're out of the program and then they realize, oh my gosh, I really didn't take advantage of anything. But, the good thing is I don't look at that as not being success, I look at that as being success because now they know how to do it right, they have the resources and then on top of it they're alumni, they're alumni of this program, they won't come in full time because we'll have the next class, however they

still will have access, it's just that they will go more on the public program side of things, where it will be more scheduled and it's not like we're they're gonna be able to get in here 35 hours and treat this as their workspace,

Researcher: so even after they're done with the one-year program, they can come in and use resources they can contact...

Director A: they can use the sewing machines; they can contact us to reach out to the mentors, to work with them. IT's in a way, like they're the alumni of the program, we'll still it's not like we'll shut the door and say you're out of the program, because at the end of the day they will become mentors to the next class. Which also may help them, and also too partnerships may form, or you may hire someone in the incubator may hire them or vice versa they may hire someone in the next class to work for you, so in a way it's again economic development, it's creating your own cottage industry, and you're growing your own industry yourself. So that's how I look at it I'm sure they would've told you something totally different because they wouldn't have looked at it like that but in a sense that's how things evolve. So.

END

## Incubator C - Director

Director: She would be good to talk to because she was the first designer in-house. And she's developed and moved on and has her own showroom and studio space now, so that's awesome. Which you know I think we helped with providing space, she definitely was able to have a lot of mentorship and other designers from New York and you know the funds behind that to support it, but we definitely were able to give her the space, and feedback and some of the selling events that we did with her. But she in her own right deserves all the success she's had, working hard and not just being here in our space.

Researcher: I just have a list of questions hopefully we can get thru them fairly quickly. Can you first just give me a brief description of your position at the incubator?

Director: Yes, so [REDACTED] and [REDACTED] are the co-founders and they started [REDACTED] in December 2013, and I actually know [REDACTED] thru mutual friends, I met them about, sat down and talked to them about 6 months into the beginning of factory girls and really just found them on instagram, and we happened to be at a random dinner, we started talking about what they do in [REDACTED], which I was on board for. I literally swept the office, took phone calls, answered emails, anything I could do since I was working a full time job at the time to support them and their efforts. And through that, just support, they asked me to be a partner on another business that they had within [REDACTED], which at the time was [REDACTED], because I was a showroom manager at the apparel Mart, so my background is primarily wholesale. So that's kind of the missing link, in what they were trying to do with the showroom business. So we have completely changed what we're doing with the showroom business, and now it's called [REDACTED], and it's really consulting and a wholesale incubator for our designers, and it's just a division of [REDACTED]. So I am a partner - part owner - of the [REDACTED] business. So, there's two different businesses essentially, there's [REDACTED] is our factory, our education, and our designer studios, and then the [REDACTED] is our wholesale incubator where we do consulting for new brands, selling events, and we also have some people that are on our retainer that get commission for getting them sales and getting them into different stores. So, just kind of 3 different things we do under the showroom business.

Researcher: Ok, interesting.

Director: But we're all in one building.

Researcher: And that's your new location that you just moved to?

Director: Yeah, so [something west a co-working space] so we were able to get a wing here, so essentially we are a co-working space inside of a co-working space. Specifically geared towards designers. Initially, you know a typical incubator may be a little different from what we do, but it has evolved every 6 months we're adding something different, or it's all just based on what the clients need from us, overall we just want to be the one-stop shop or resources, go-to for designers so whether that's accessory designer, jewelry maker, or an apparel designers they come to us and we can point you in the right direction. And we have a jewelry studio as well. Our story is, I don't

know if you want me to tell our story and how we've evolved into where we are right now that might answer a lot of questions.

Researcher: Yeah, go ahead, that works for me.

Director: So originally, [REDACTED]'s parents have a background in manufacturing, so they have linens and aprons, obviously not really apparel based, but they do have [ ] in the equipment that they needed to start [REDACTED]. They had an end of the factory/warehouse space that was not being used, had an office space, and then a kind of warehouse space that they invested money in getting equipment and buying some stuff from her parents, and just starting the [REDACTED] space, which were 2 designer studios and by studios I mean 1 big open space with 2 cutting tables in it the girls had as their little workspace. So they gave them really low rent, and said how can we help you? What machines do you need? What resources are you lacking? So the two girls, which were [REDACTED] and [REDACTED], were really the ones that helped build [REDACTED], in the beginning. We saw the problem, which was...the resources they started with giving them the studio space, that had access to the industrial machines, and then it was manufacturing, so they were offering a no-minimums, so if they needed to develop patterns or do 5 pieces, they were supporting that as well. So over time that has evolved to where we are today, they started doing classes because as you know the typical sewing classes are Hobby Lobby, or Michaels' and they're really craft based and they're not, you know you can go to [REDACTED] and get an education, but what do you do after that? How do you perfect your skills? So they started doing sewing 101, design 101, draping classes, and classes that were specifically for the apparel industry. So that was all being done in [REDACTED] which was small run, and over time we've gotten so many calls from 'I need to develop an apron' 'I need to make a chef coat' all kinds of different random things people are calling us from Mississippi, thru all of [REDACTED] so we were able to move out of that space this summer and we got into the space we are in now. So the Factory was still there, we were looking for more designer spaces that were private, so the designer was able to have their own office, closed in office, they had Wi-Fi, they had a conference room to take client meetings, and do fittings, and then they also had access to the machines. And kind of mentorship from us being there. So we were able to move here, we have now 8 designers in residence, different studio spaces, so that was great for us to move here. The building's great, it's all inclusive, they have printers, conference rooms, Wi-Fi, coffee shop, everything that's inside this building, they get great rent and they're able to use any of the resources we have here from cutting tables to machines, to [ ] and pattern paper, and we check on them and if they pop in our office and say hey I really need some new elastic vendors, what do you guys have? We share all our resources with them, they're sharing resources with other designers in the space, so it's been great we've only been here since June and we are now, have a waiting list for people waiting to move in looking for designer spaces. You can get an office anywhere in [REDACTED] but you really don't have the community that's here, so that's really what people are looking for. So that's just the studio spaces. We also have the factory. So the factory was booming [00:09:38] you know people were calling and asking to do small runs, obviously dealing with a lot of New York factories, or you know LA, or south Carolina, but they didn't really have any place that they could go work one on one and say I know exactly where my pieces are being made, I can do these fittings, I can pop over in midtown and do that, so that part of the business develop? Has grown. There are people who already had a business that are doing orders for West Elm that do aprons, and we were able to continue and just be their new factory, they don't need branding assistance, they don't really - I've never even seen them. So they are through the factory, they already

had an established business, then there are also the clients that want to start a clothing line, that is where the Factory Showroom comes in, so the Showroom and what I do with my business is develop them - their brand, so if come to us with an idea, and say 'hey I've always wanted to...I'm a empty nester my kids are gone to college, I've always wanted to do a sundress line, I've never seen this made, this is my idea' so we sit down with them and say ok first you need a LLC, let's secure your domain, let's get your social media, and we really sit down and literally hold their hand through the entire process, so they need fabric, we're getting sourcing done for them, they never have to leave [REDACTED]. They sit in our office, we give them homework, we tell them alright so what's the story, who are you selling to? What's the price point you want to be in? Who are you hanging next to? And really pick their brain, figure out what is the overall plan and where do you want to be? Let's roadmap. Step 1 is this, step 2 is this. This is what a budget is. You know, what are you doing for funds because you're going to need money, and you're going to need, months and time to develop this.

That way we find out people fall off, that aren't serious about it when they realize how much it takes, or they're really gonna be in and do the work that we give them. So we've had two now, we just started doing that in July, we had 1 brand that will be done this month, and then another one finishing next month. [00:11:41] That they came to us with an idea and we've helped them with the entire process, so we're not the experts on everything but we have found amazing partners that are willing to work with them on the budgets that they have. So, I can find them the graphic designer that's going to be \$50/hr. that's going to sit with them and do their logo, versus a branding expert that's \$4000 for a package.

And then we have a new partnership with current commerce that does their e-commerce website building, they do their social media management, and scheduling, they can do SEO, and they really are supporting our emerging designers as a whole. With all of their online needs. We have a fashion publicist that comes in part of the consulting is sitting down and saying what does it take to get in the door These are the things we need to consider, here are some ideas for your brand specifically, to get to that level of getting on Marie CLaire.com and seeing local press, and getting them the press release, and things like that. So we're helping them literally on every single aspect from production, because we have a factory, to getting PR to getting e-commerce, to our paralegal in LA that does conference calls and does their LLC filing. So, we're just having more and more experts in their fields to assist our designers. We're finding more people just doing a retainer, because it's easier, they can come to us and we're probably I'd say 6-9 months is pretty average if you come to us with an idea, for us to actually have pieces in hand, and a website, and a look book shoot, you know we book a photographer, we make sure the shoot is on brand, we make sure that the line sheets if they're gonna do wholesale, we do a wholesale line sheet, you know every single thing. Design a hangtag, get the hangtags ordered, what is your packaging for the website store? You know, all of that stuff they're coming to us and we're able to help them with all of that.

Researcher: [00:13:38] Ok, that's amazing, it's really cool that you do all of that. I haven't heard of anyone doing that, in the south. So that's an exciting thing.

Director: [00:13:56] so with that, we have the education wing. We found that we love the space and we love the designers that we work with, but we found there's really great jewelry makers, and Rosa has a passion for jewelry

and loved it in college, and she's like I would love to have a jewelry studio, so the same concept we have for these designers, we do for jewelry. So we opened a jewelry studio. So we have the polishing machines, and they're able to do metalsmithing, and they can rent a bench for \$250 a month and they don't have to buy the equipment. They're able to come in and say I can get to that level, I can work on my brand here and get guidance and then I can have my own, and then jewelry studio [chatter] so the jewelry studio's been awesome, so we have a girl who's like a designer in residence that's really teaching others workshops on how to make a ring, or how to make an ear crawler, so it's really awesome cause she's getting to work on her brand, here but also you know getting extra money on teaching workshops, so we kind of trade for you know you work so many hours workshop management, and you get paid for your bench, so that also supports her in her business. So that's something else that we have. And we also help them with selling events, so we'll have a trunk show, and give them opportunities, and even designers that we don't work with on a consistent basis, we'll invite them and say we have this really great event we think you should do the trunk show with us, and it gives them exposure, they're meeting other designers and they're also getting you know exposure. So we did two different trunk shows in December, so we'd like to continue to do more of those. And then the last part of what we do is the classes. So, the classes started with just sewing 101 and basic draping class, and now we are doing some more workshops on you know how do I set up my own squarespace website? Branding, how do I get my foot in the door with PR? So the people who can't necessarily afford the consulting or don't need a month to month thing, they can come to 1 workshop that's \$20 and learn from an industry professional some tips and guidance on that specific thing. So we want to do menswear course, we have this guy that just worked here that worked at DKNY for 8 years in NY - amazing - he's gonna start doing menswear, we have garment construction so once you finish the sewing 101 you can move into garment construction, there's draping, there's patternmaking, courses on hand-beading that we're working on, we're gonna add summer camps for teens, we've gotten a lot of requests for teenage classes, but design 101 is great class that's been really popular that really understanding how to design a collection, like what are silhouettes, what is color, how do I make the mood board? You know that's also things we're adding to supplement people with the education they've had or don't have at all, because we really want them to get the skills they need to be successful in the industry, a lot of them come to us with just a passion for fashion, that really don't know everything. So that's part of the classes we have and workshops. So, all a work in progress. That probably answered a lot of your questions.

Researcher: Yeah,

Director: IT's really hard to explain that all via website, so I do offer meet n' greets, I love people to come here sit down, for free, and I just explain to them this is what we do, how can we help you, and if you don't have the money or the funds, we can refer you to this person for that or you can do an hourly basis, or come back when you do have it, but just know that we're here for you. And if it's something, like especially with the factory, we know we don't do everything and we don't want to do everything. We have Carolina textile district that we refer them to who has been great, but we want them to have somewhere to go, so if [REDACTED] couldn't make it for me, but they let me know that this person could do it. We just want to be some sort of help to them.

Researcher: So for the classes, I guess I'll get more into this with the designer in residence, but the classes are open to anyone as well as the people who are in the program?

Director: Right. So anyone that's here, they are able to get discounts on the classes, to be honest they don't really take the classes much, they get a lot of guidance from us, and people that have the studios here we vet them and make sure that they're making the right decision financially to have an office space. Cause it's everyone's dream world that they have a studio with a cutting table, and you know, but if you can't afford to produce the samples that you need for the collection, just photoshoot for them, you don't need an office. So that's kind of where we are with that. So these girls, the women that are here, really have a more legit business they've been doing it for a few years, they have the funds, that's really the application process for the women that are here, so it's not just a kid out of college we would love to do that and want to move forward to doing some sort of scholarship and taking someone in as a mentorship, and then giving them office space free for 6 months and just developing them we haven't been able to do that yet for lack of time really. To really hand hold someone, but yeah that's kind of the typical fashion incubator is kind of like that, they give them the space, and they hold their hand thru the whole thing, the people that are here are at a different level, but they do have access to --

Researcher: but would you consider them still start up phase

Director: yeah they're absolutely all start up phases, but [REDACTED] is a perfect example, literally grew out of the space, she had a staff, and she really needed our entire space. And it' was just pouring out of her office, she didn't have the space for a seamstress; she needed her own cutting tables, that is what we want. We want them to grow out of here and say 'I need more space, I'm going to get my own showroom, or my own work studio' so that's great they can afford it and have the staff to support it. So while they're here they're getting really low rent, and they're able to work on the other things they need to and put their finances you know other places to develop the business until they literally bust at the seams and move out. We're just a launching pad, we're not here, we always want to be here for them, so I have some designers who've been doing it for 4 years, and we'll help them with you know hey I need a new photoshoot, because I kind of want to do something different, I've been doing this for 7 years, let's kind of redo the brand, so we have those clients too that just need a photoshoot done. So we'll help them pick apart where have you been, let's see some of these styles are really great; let's revamp this and do a new shoot. So all different types of levels, and like I said we're growing so fast and getting so many different clients that need so many different things, that we just kind of make sure we facilitate however we can.

Researcher: And for the factory space, you mentioned, it's a production facility correct?

Director: Yes

Researcher: do you still have no minimums? You mentioned you had that at the beginning

Director: No minimums. We have maximums actually. So we just based on our staff and what we can handle we literally took on a Belk order, about 1500 units, that was way more than we needed to take on. So, we know that, we never wanted to be that level, we really wanted to be the sample maker, you know the beginning phases for them, and doing 200 you know per color per style, and when you go above that we can find you a partner somewhere else

that can handle it, but we can't handle it right now. So we literally the Belk order is holding up the factory now, we're kind of bottlenecking everything else because it's taking all of our hours, all of our resources all of our space, we literally had to roll in new racks and hangers to hang the pieces because we don't even have space to put the pieces that we're making. So that's kind of a challenge that we had and we definitely learned that we don't want to get to that high of volume, we want to stay and be the resource for the other designers, because this is what, this is what happens with other factories, they can't take them on. So we want to be the one to take them on, so 1500 was definitely not a good place for us to be. 500 per color per style, and we're like yeah that's our max, but really it's 1500 pieces at the same time in a short period of time. So. But it is a factory, we have 6 people on payroll, and that again is kind of a beast on its own. There's some clients I never see, our production manager who partners with us, he's amazing, he went to SCAD, he was a TA there and he teaches our draping design classes and does all of our consultations for new clients, and he does our pattern making, and he's the production manager. So he runs everything in the factory.

Researcher: For the factory, what types of equipment can you do, because I know a lot of places it's just woven and knitwear, do you have any specialty? Or do you have knitwear? As well or is it just cut and sew.

Director: It just depends the type, and actually I had part of this I wanted you talk to Thomas, because he can definitely give you a lot more insight on the actual production, that would be helpful for you. But we try to stick to womenswear and wovens, but if it's knit that can be sewn like a woven, then we can do that. but we cannot do like compression, it's just based on the machines that we have.

Researcher: right. Ok.

Director: so that's why part of his consultations with the clients, are figuring out what it is that they're making, what types of fabric. Before we can take them.

Researcher: That gives me a lot of good information but I do have a few questions that weren't necessarily answered in that, so can you tell me how the incubator is funded?

Director: self-funded

Researcher: Oh, it's self-funded ok.

Director: We've not had any loans, which we'd love to look into, but we are just self-funded.

Researcher: Ok. Can you go into a little bit of the admission or selection process for designers in residence? How that's decided?

Director: Like I said, we just make sure that financially they're making the right decision, so we assess do you have the LLC set up? Are you a legitimate business? Do you have your social media plan? What is they're all different,

but overall the bottom line is, is this the right decision for you financially? They're all at different stages so someone that is starting out, they may have saved a lot of money and have a plan, you know a business plan. They have their LLC, they have the website, they're still building on it, but financially it is the right decision for them at this time to move in. But then I have some people that have been doing this for 5 years that were just tired of working at home. They're a legitimate business, they just needed a different office, so they're all at different levels, and they're all different brands, so I have a bag designer, I have jewelry designers, I have active wear, I have womenswear, a couture designer that does costuming, you know so there's just all different types of people that are here.

Researcher: Ok, so mainly it's just if they're financially, if it's financially viable or the right decision for them. Is there any sort of stipulation, do they have to be in business for a certain amount of time? Or do you care,

Director: No not really.

Researcher: Do you vet them; do you interview them at all?

Director: we definitely interview them, they have an application, and I can send you the application they use. And then we'll have a you know, interview face to face.

Researcher: Ok. And so that's just kind of to see if they're a good fit.

Director: Correct.... And if they have a real vision for what they're doing. If they're gonna come here, and they're kind of 'I think I want to do this, and I don't know I want to do men's women's and children's wear...' we're like you've got to focus...then you really need to be a consulting client before you come here. We have some people that have developed brands, they have funding, they have a website done, their prototyping and [??] like they're on it and they're very clear and you know full driven women that know what they're doing, that's what we want. We don't want someone to come in here and waste all of their money on [brand?} to say well I don't really know what I'm doing, I'm gonna give it up like this isn't working out for me. For me, I'm like girl you've got to go home and you're gonna have to cut on your kitchen table, I know you have a roommate, but let's put funds towards taking a class, and let's develop that plan before you move in here, I would rather have a place full of empty offices, than a bunch of people in here that don't know what's happening and they're drained of funds and just quitting, you know. That's really it, so in the beginning it's like, oh here's an exact application, and these are the things you have to have, and we've found that that's not necessarily true for everyone. So it's definitely changed of how we vet them but again it's just making sure they're on the right track, and if financially it's the right decision. Because none of them have a problem paying rent, and none of them have a problem in making an investment in photoshoots, or the new samples, and they understand that and they have a plan.

Researcher: And for the designer in residence program is there a set curriculum for them, or is it just ...do they have meetings? Or how is it structured?

Director: No there's no set, they're all different, some of them come here at night only because they work 9 to 5, some of them come on the weekends, you know there's no, we do try to spend at least an hour a month to sit down with them and check in and say how are you doing? What's going on? What do you need help with? We are obviously busy as well, but we do make time to sit down with them, we're here as much as they need us or as little as they need us. Sometimes I don't talk to them, haven't seen them, I know they're doing well or they're having a trunk show and we post their flier for them, and come and support, and it just depends on each designer of what they need support on.

Researcher: and that comes to my next question, is there any assessment either assessment of designers and then is there any assessment that you go through as an incubator?

Director: What do you mean?

Researcher: Is there any sort of benchmark, measurements, do you assess performance of the people in the program?

Director: We haven't yet because we're so new, I'm sure we would love to get to that point, we started with just [REDACTED], which she moved out because she grew, that's great. Like I said it's not something we single-handedly did, because she's here she's so successful, that's not it at all. But being able to provide them the resources to develop their business is what we want to be here for. So I think that's kind of a benchmark, did they get the resources they needed to make it to the next level? Without having to leave [REDACTED]

Researcher: Um, and so I know you talked about providing resources, what would consider I guess the top goals of the incubator? As an entity itself?

Director: We just want to be known, like I said, for the one-stop shop for all the resources that they need, so whether it's the photoshoot, whether it's fabric sourcing, we want them to know they don't have to leave the southeast, and we're not saying just [REDACTED], but the southeast to get anything done. We're not trying to be the powerhouse manufacturing, we just want to say, 'hey you need denim made? We have a great partner in North Carolina that does denim, you don't have to go to new york, you don't have to go overseas', we want to keep the slow fashion movement here, and just provide a space and a place to go. So if you're the girl who lives in Mississippi and you graduate college, you move to [REDACTED] because that is the place to be because there's factories there, there's designer studios, I'm sure we're not going to be the only one in town next year, I'm sure another one will pop up with designer studios and it will be a thing, but [REDACTED] will be a fashion industry city, like you can move here and have a legitimate business, you could work for [REDACTED] House because her fashion house is here, and we have multiple businesses here, and more jobs in the fashion industry.

Researcher: How do you see the program meeting those goals? What kinds of things do you think directly are related to getting that done?

Director: Again back to resources, making sure they have everything they need and do not have to leave here. So even me flying to NY and going to the trade shows, textile shows, and bringing back the samples for them, like they don't have to go anywhere, eventually we'd love to have you know trade shows here we'd have enough that the shows would actually come to [REDACTED] we would have a textile show. We're not going to have that any time soon, but we'd love to see that here.

Researcher: Ok. Just looking at my list, because you kind of answered a lot of things just talking about it, that's good.

Director: it's funny because everyone's like wow that makes so much more sense; I totally get what you're doing. So we're not a traditional fashion incubator, it's just started to grow into what it is now; do we need to change the incubator name? I don't even know because we're just everything right now and just providing the resources. So.

Researcher: Do you and the co-founders, have you assessed yourselves as either a team, or as an incubator since you started, like do you go over a yearly review, or what does that form take?

Director: I'd say I mean, we still consider ourselves an incubator. We just the factory showroom business is not even a year old and we started with our first consulting clients in July, so it's like so much has happened so fast, so I think this is the big year, I think now the way we have it set up now is definitely working for us, we've just literally grown and changed so fast that it's hard for us to review that you know, we definitely know what we, what has worked and what the clients need from us over the past 9 months, so this year definitely a big year for us to assess like how everything is going.

Researcher: what've you found that works for you all? Like what are some of the things that have stuck out to you?

Director: The, on the consulting side and the education part is major for us because there's so many people. We've learned about the education part there's so many people that don't understand the process of developing products, so we want to make sure that we're helping them with that, we've had so many appointments with people and we'll just sit here and we're like giving them a class and we're like ok, we're draining ourselves and not making any money but sitting here talking to them to take a class, or a workshop or there's a lot of questioning here before they come here, you know that we definitely learned the hard way that we need to make sure that they have a clear plan and understanding of how this works, or what the plan is for their brand, so you know they're not wasting money. And then our clients and consulting side, we were doing a meeting fee every time we met with them we'd have a fee, but really there was so much in between those meetings they needed assistance with, we opened it up to just a flat retainer and say hey here's a low fee for the month, and you're here to use us as much as you need. So that they knew up front, here's my budget, I can see up front how I can plan for this. Definitely helped us

END