

	<p>Episode 23: Biggest Mistakes Starting a T Shirt Business</p> <p>www.customapparelstartups.com/biggest-mistakes-starting-t-shirt-business/</p>
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Mark S: Hey everyone and welcome to episode 23 of the Custom Apparels Startups Podcast and because this is the second time we are trying to record this podcast, I'm going to say that I am no longer surprised that we made it to episode 23.

Mark V: Laughing.

Mark S: But what we are going to do today is talk a little bit about the custom T-shirt business and custom apparel, my name is Mark Stephenson and I am from ColDesi.

Mark V: And I am Marc Vila with Colman & Company, and as Mark said we're going to talk about the biggest mistakes in starting a custom T-shirt business specifically with DTG – Direct to Garment Printing, and we're here in our studio.

Mark S: Our "Studio", I like that.

Mark V: Our Studio with Heath Schumacher who is a DTG technician, a DTG sales person, a DTG business owner, operator.

Mark S: A Yogi of DTG, a guru of DTG.

Mark V: So he has a lot of great information that he can share with us and with you, and we're going to talk about just all about DTG business.

Mark S: Yeah.

Mark V: Heath Welcome.

Heath S: Hey! Thank you.

Mark S: So, we're going to break this down into two different parts, so the first part that we're going to talk about are the basic mistakes that you make in starting any business, we did this for the embroidery business specifically a while back and I really think it helped a lot of people and avoid a lot of those first timers mistakes, so we're going to talk about the business of things first and then we're going to get into specifically how people screw up perfectly good DTG business or a perfectly good custom T-shirt

business, having to do with equipment and operation of the equipment and how they sell it and things like that.

Mark V: Yeah, so we'll kind of do it two parter in this, so we'll get right into just starting the business and we'll focus on T-shirts – a T-shirt business and then break into the technician side towards the end and then also break into the supply side as well, the mistakes that I see DTG owners making on a daily basis as they are ordering their supply, so we'll tie all of it in together but since a lot of people listening might not have started yet or thinking of breaking into a T-shirt business.

Mark S: Yeah, let's start with the business side. So one of the first things that I see that people make mistakes in starting any business is they go from idea to purchasing equipment and starting to sell with nothing in between, there is no preparation for getting their business started. In other words they don't do things like... they don't know whether or not they actually want to do a corporation or a sole provider, they don't know how they are going to handle their bills and accounting, they don't have a bank account, they don't do all those basics.

Mark V: Yeah and a lot of it is just educating yourself from a basic standpoint. "What do I need to start a business in your state specifically"

Mark S: Right, exactly.

Mark V: So more than likely if you are in the U.S. you have specific state-laws in regards to how you collect sales tax, how you file state tax to your state, do you need to do that or not. So these are just some basic things that it's worth, sometimes it's a money to consult with somebody or just get on your state website and learn about this.

Mark S: I know in Florida it is really easy to find out that information. I will say one thing early on and early commercial for DTG is normally when people are looking into getting into Custom T-shirt business, they look at Screen printing or they look at DTG. And there are a lot of states, counties and cities that actually won't allow you to run a screen printing business from your home, you need to get special licensing because of everything that is involved and in-order to do that, in some places you just can't.

Mark V: Yeah, chemical disposal is a big thing.

Mark S: That's it, it's a big deal.

Mark V: it's a big thing. Washing out screens is not the same as using a paper towel or a cotton swab on your DTG printer.

Mark S: Right, it's a little bit different process.

Mark V: So which gets me to thinking about when folks are beginning to start this business and Heath mentioned this before and we've talked about it a bunch of times.

Mark S: Yeah.

Mark V: Going into it and thinking that for the long term of the business, you're going to be able to wear every single hat and not preparing for that.

Mark S: So, what do you mean by that? Heath you were talking about that earlier.

Heath S: Well, as a business owner, going through and thinking that I can do all the production, the artwork, the sales the marketing, the administrative type things, billing – everything it really weighs down on you and there is only so many hours in a given day that you can get this stuff done, so being able to delegate this stuff to other people underneath you as your business grows is a huge benefit to keep the company running and being profitable at the same time.

Mark S: That's a good point because I've actually been in a business where a big order put us out of business because we weren't ready to handle it. So what we're talking about is the different parts of a business that are sales and marketing, so you're going to have to get business, artwork, you're going to have to produce great artwork and that's something that happens in any custom T-shirt business is that people will actually buy their printers and not understand how to create Art. As if there is something in the printer that will make you an artist... it is like buying Microsoft Word and that making you an Author, it doesn't and that's another piece of puzzle, there is sales and marketing, there is graphics, there is accounting, do you have a bank account yet? Are you going to be able to write cheques? Is there any money in it? I think one of the biggest things that kills new businesses is cash-flow. So it's not just who is going to do all those roles but it is: are you going to have the money to do that?[00:06:41]

Mark V: Yeah and you don't want it from both sides, for one you're going to be want to be able to do things as simple as ordering business cards or letter heads or creating a website maybe-or maybe not, business phone, there is all these little things that add up, but then it is also like you said just having the working capital, you need to be able to know that if you get a nice sized order, it doesn't mean a million dollar order, but if you get a nice sized order you're going to be able to have the ink and the cleaning supplies and get the T-shirts without putting yourself in a position where you are constantly juggling your money between – If I don't get this deposit from this customer I can't order these shirts and they are not going to have it till Tuesdays but I need to have them by Tuesday 11AM.

Mark S: Cash-flow is king.

Mark V: Yeah.

Mark S: So, two things I want to say about that is we did a podcast that was based around the book called E-myth and one of the things that they recommended when you are starting a business is that even if it is just you is to list out the role and the job description of each part of your business, like what is somebody who is in charge of administration going to do? What is somebody who is in-charge of sales going to do? How about Marketing? How about Pre-Production? How about Shipping? and just write down all of the task that have to be accomplished and even if you put your name underneath each one of those titles you know that when you are ready: okay here is the accounting part, now I've hired an

accountant or a Book-keeper to come in once a month and I can that off my plate, I can scratch my name out and I can put their name in there. And the other part is – you know we were talking about cash-flow a second ago, don't forget that even though it is a really profitable business and there are a lot of people that have done really well with DTG and custom T-shirts, don't forget that they don't always start that way. So if you are going to quit your job to do this then how are you going to live for the next 90 days, you really cannot expect those first 30 days to pay your grocery bill, so what are you going to do? Do you have enough money in the bank to have the luxury of getting started?

Mark V: So Heath you've participated in and started in other people's businesses and your own, what are some cash-flow issues or financial issues that you think are the ones to just watch out for the most? Do you have any stories or thoughts?

Heath S: Well, some of the biggest things that I've ran into is getting those initial orders, spinning the time to go out there, beat the street, talk to other business owners because that's what a lot of Direct to Garment type business is about – is extending about to other business to do fulfillment for them, if you don't have the time or the luxury to go out there, if that machine is not running and you're still having to make these payments, buy these supplies, do your maintenance and also learn this equipment while you're trying to get those sales and bring those jobs in and once you have those jobs in that means you have to produce those jobs and that means nobody is out there on the street getting more jobs.

Mark S: Yeah.

Heath S: So those are the biggest things that you have to sit there and juggle while you are starting out, I am not saying go out there and hire an entire sales force but you do have to have some help when you are doing this stuff.

Mark V: I was listening to a podcast yesterday and you said the word juggle and you actually reminded me of it.

Mark S: Is it a juggling podcast coz if it is then we don't want it.

Mark V: Not quite but there is a juggler involved.

Mark S: Okay.

Mark V: So Penn and Teller, Penn July I listen to it semi-regularly, but he is the juggler.

Mark S: Correct.

Mark V: By trade and before, he want to whatever... School for it.

Mark S: Juggling School.

Mark V: So one thing he was talking about was organizing his day because he had a TV show, a podcast and he has to practice his art, all these things he has to do and he is doing a million things, he said when I get up the first thing I do is I write for my book that I am writing for an hour, then I juggle for half hour, then he does this task then he does that task and then at 11:00 o'clock I check on my E-mails and then I handle those things, he was just going through and I think that-that might be really important to organize a day like that for you, you are not literally juggling for that 30 minutes but maybe thirty minutes every morning, the first things you do is have coffee and watch some graphics videos and practice making graphics better if you are doing it alone.

Mark S: And you spend the second part of your day listening to some very useful podcasts, being in apparel decorating business it might help you with your sales and marketing.

Mark V: And you can listen to this stuff maybe when you are practicing pre-treating.

Mark S: That's true.

Mark V: I just thought that, that was interesting -that breaking your day when you are juggling and you are wearing all these different hats, you might just have to say: I am not going to do anything but this during these times of the day. So I am going to follow up with all of my potential sales from one to two PM every day, that hour is just following up with customers checking on my invoices and making sure I've sent all my sales quotes out and this way you're doing it every day.

Mark S: I got to tell you, that's really hard to do, especially when you know you are working at home, you're spending most of your days in your pajamas, it is hard to be disciplined like that and also as you go along in business – Heath you know you got a great plan for everyday for the next week and you get a big order.

Heath S: Yeah, and that just switches everything up, you got to be able to adjust on the fly at any given moment to be able to keep up with everything that is coming in.

Mark S: I think it is important to have that to begin with, to know that okay, this time of the morning I think one of the best things you said was – I check my E-mail at 11 because. I know what happens to me, it happened to me this morning, I wake up at 06:20, I grabbed a cup of coffee and then I opened up my E-mail and all of a sudden I am working till 7am in my pajamas drinking my coffee, so it all starts with that E-mail. So managing that is going to be a big deal.

Mark V: Yeah, there is a lot of talk about that in the business world because that was one of the points of that conversation is that you said that he needs to be creative in the morning and opening up the E-mail can sometimes add to stress and distract him from his creativity and then he is unable to write for his book and I think that we run into the same things here, Tim Ferris the four hour work week.

Mark S: Its a great book by the way, everybody should read that.

Mark V: Its a good book to read, I think he is the luckiest guy in the world to be able to do all the things that he does, he has this luck chip on this shoulders.

Mark S: He does, he does really!

Mark V: But he does mention that as well, He mentions: don't spend every minute checking your E-Mail every day, and you might need to do that as a small business owner as well.

Mark S: Don't do like I do. One of the other things he said that is really important is preparing like a sign wave of business. We see this in sales too where you make 200 phone-calls and then you spend two weeks quoting and getting your equipment delivered to folks and then there is nothing to do, so you make 200 phone calls and it is the same thing with the custom T-shirt business is let's say you get 3 days in a row where your production is light so you go out and make sales calls, so you sell a bunch of stuff, so you have to produce it if you are a one man shop and by the time you're done with production you haven't done any sales calls for the week so there is nothing to do for three days, so your income fluctuates just like your time does, that's where those other people come into play and being able to to farm that out, now have you ever done that? did you ever find somebody else? I know you do your own artwork.

Heath S: Yeah, it get to the point where I was having to produce all those little things like the business cards, the artwork for all those different produce, being able to produce, being able to maintain the machine doing the order of the ordering of the bling shirts for the clients that I already have, so the more I got into ordering and stuff like that, the more orders I took in the less time I had to sell more, unlike you were just saying, once you get the lag time then you're basically back to square one unless you have like a team that you can depend on and there is plenty of people that can sell, use your friends, word of mouth is one of the best marketing tools in this industry. And if you produce a quality product that's something that really stands apart from a lot of the other companies that are out there and one of the other things is that you never want to promise something to a client without being able to produce it.

Mark S: Right.

Heath S: So, it's one of those things you just have to keep.

Mark S: under promise and over deliver, so that's a big deal.

Mark V: That's one of the biggest mistakes that I hear about almost every day because we are in the supply business and I sit with customer service and sales representatives and we hear it all day and there are folks overnighting supplies, everything ink, rhinestones, threads... everything they are paying a \$60 overnight fee because they promised the customer that they can deliver something by Friday when they haven't done the digitizing...

Mark S: They have no idea that they can actually do it, they are scrambling it... you want to say "YES" because you want the income because you want the long number of the business when we talked about knowing your numbers. "You know if I get this client, I might get a 100 other orders from them over the

next three years, I have to deliver for them” Remember that those are the decisions that you make when you put yourself in those situations.

Mark S: By the way I am just saying this, don’t start your business before listening to both of our “Know Your Numbers Podcasts”. For new business starting out knowing your numbers or estimating your numbers can likely be the difference between success and failure and I want to make sure that you realize that you have a reasonable way to evaluate how much a customer can be worth overtime and through this one initial sale.

Mark V: I think it is not necessarily about having a perfect spreadsheet and having a hundred columns and knowing all this excel work or having a notepad with hundred numbers in it which you’ve perfected down, it’s about a mindset too.

Mark S: Yeah.

Mark V: So it’s both.

Mark S: I agree, so we talked about the prep-work involved in getting a business done, having enough cash-flow and having enough money in the bank when you start to carry you over especially if you’re going to quit your job and start your own business. A good rule of thumb or a low rule of thumb for most businesses is you should be able to run for 90 days without making a dime, if you can run 90 days without making a dime then you are giving yourself 90 days to figure everything out, to find those first customers, to figure out how to print a profitable T-shirt, to work on that team that you’re going to need, maybe find a bookkeeper or develop those skills or build up your referral network and get people starting to sell for you, you’ve got that cushion there and again cash-flow is one of the things that kill businesses the fastest.

Mark V: Yeah, you significantly increase your probability of long term success when you prepare yourself for 60-90-120 days of saying it’s fine if I don’t make money here.

Mark S: Yeah.

Mark V: Maybe that’s not the goal, the goal probably would be to sell something the first month, but to say I don’t have to- to survive because then you get into that mode where you are promising things that you can’t deliver, you can’t say no to a customer.

Mark S: Yeah, because you’re desperate.

Mark V: Because you are more desperate exactly.

Mark S: We’re not trying to scare you away from going into business here, because if you go to coldesi.com and you look at our in-business success stories or you join the Custom Apparel Startups Facebook group and you see almost 1800 people now and at least a thousand of them have to already be in business and they are doing embroidery and they are doing DTG and screen printing and Vinal, they

are starting nights and weekends or they are going full time; but they are all making a business out of this technology, what we are doing here is trying to save you some of the startup pain that Heath I am sure that and a lot of other people on the group have gone through.

Mark V: Yeah, we have thousands and thousands of successful business owners that buy supplies from Colman & Company, there is a difference though between those who have goals set but prepare themselves to achieve and exceed them VS the folks who are just running their business and struggling, there is a stress level difference that there is ideally, there is a long term success. So you can go in without doing all of this prep-work and be successful, we have people that do that but those people maybe have a little less hair on their head or have some more grey hair.

Mark S: He was looking right at me when he said that, I don't want to say anything.

Mark V: Laughing

Mark S: We talked about organization and prep work, we talked about organizing your day, even if it goes off the rails pretty quickly you should at least have those goals so that you can avoid that kind of sign wave of business, maybe putting a team together or at least knowing the different roles that you're going to need in a business and what you are going to need to accomplish and starting with some money in the bank, so you can afford to make the decision- not to take the wrong client, to put off a job that you are not ready for, so that you don't take a job that's going to put you in the poor house.

Mark V: Yeah, absolutely you know. Any other? Any other business – just direct business related stuff before we dive into DTG specifics.

Mark S: I don't know I've kind of like a whole and I have like three businesses that I've done myself and made huge mistakes in every one of them, so I have a long list of mistakes that I've made. How about you Heath is there anything else that you would like to add?

Heath S: Well business wise is just repeating it, it is knowing that I can't do it all myself.

Mark S: Okay.

Heath S: Yeah that's it because there is only like one to two percent of population out there that has that ability to do every single hat that takes on. Any corporation that you look at, they have an infrastructure built to make that business run especially the bigger it gets the more people get involved.

Mark S: Yeah.

Heath S: Once you start small just realize that you will build this as you go.

Mark V: I think that it does that and it doesn't mean you have to have full time employees that you are bringing on board,

Mark S: Right.

Mark V: You could be working with a freelance artist to do all your graphics work for you and you can work with a CPA to handle your book-keeping like you said, once a month to be even.

Mark S: Yeah.

Mark V: Maybe you don't build your own website, maybe you have a company that does it for you or you bring software in that can automate these things for you to make it easier, so if you have a good Book-keeping software maybe you can accomplish a whole lot more than if you've got it all in a notepad, not only is it going to be cheaper to hire that CPA because you're going to say hey! Here is my FreshBooks or QuickBooks account.

Mark S: Right, just do that.

Mark V: Just organize it, VS here is a notepad.

Mark S: You know what? I'll make this offer because we've made it on other podcast I've had a couple of people contact us on Facebook that if you have any questions about this just E-mail us at Host@CASpodcast.com (host@caspodcast.com) or find us (Marc Vila and I) on the Custom Apparels Startups Facebook and we will answer your questions and we will tell you the truth, so one thing that I've had happened from that is – somebody got into the custom T-shirt business and really had no art skills, they could use the software, but they could not develop a good looking piece of art and they sent me 3 or 4 piece of art that they were thinking of and I told them the truth -that it is not good and here is why it is not good and I never heard from them again, so if you want our advice and our help we will definitely give it but just be prepared for us to tell you the truth.

Mark V: Yeah, I think that there could be other little goals within that if you mention the graphics, like you can say in the beginning I am going to focus on machine and the sales maybe, those are the two things that I'm going to do, production and sales, on the graphics side I will pay somebody to do that, you find a freelancer or find somebody you can pay to do that and say "I would like to do this myself and maybe have another sales person involved because I don't like to sell that much because I like the art side". So in the beginning my profitability might be a little bit less.

Mark S: Because you're learning.

Mark V: Because I am learning and I am having to pay somebody to do the art which can be a little bit expensive if I don't have an extra sales person, however the goal would be in 90 days the goal would be to start being able to do 50% of the art 25% of the art on my own and have

Mark S: Farm out the hard stuff and do the simple stuff.

Mark V: Yeah and maybe 20% of the sales coming in from a freelance sales person or somebody.

Mark S: I can tell you that's how I learned word-press for web-development, I found a guy on craigslist because I needed a word-press website developed and I said "i don't want you to do it for me I want you to do it with me" So I payed him by the hour to sit next to me and we build that first website together and then it was off to the races. That's a good pattern to follow for any of this.

Mark V: That sounds good, I think then we can talk, let's about some specific DTG thing, there is a lot of simple things that logic would say "oh! Nobody would do that" but it happens all the time.

Mark S: There are not many logical people out there, I'll be honest with you, let me do the first one because it always drives me nuts – I have to get my DTG printer delivered by next Tuesday because I've got a job due on Wednesday, we get that; You never hear that do you ?

Mark V: Heath, How does that make you feel? When you get that phone-call

Heath S: Well, not to be too rude about it but sometimes I put the phone on mute and actually I chuckle to myself because I know that – I start asking these questions alright ?

1. Do you have the artwork already done?
2. Do you have the blinks already done?
3. Do you understand, have you been trained on this piece of equipment?
4. Do you understand the nuisances like the platons at the perfect level height?
5. Did you gap set at the perfect level height?

All these different little nuisances that go into setting everything up to make a nice quality product and then I ask these questions and they can barely even answer them. So it is one of those things, you have to give yourself time to learn a new piece of equipment.

Mark S: Yeah.

Heath S: Its like if somebody hands me or puts me inside of backhoe and says here dig out a swimming pool for me and I am going to look at them like they are crazy, I know this printer back and forth because I've been using it for twelve years, but that does not mean you have, you could be using a screen-printing equipment and it is totally different, each piece of equipment that you add on to your business give yourself time and learning curve to be able to learn that product up and down so that-that way you can produce a quality product.

Mark S: And that goes for embroidery machines, anything that you want to do.

Mark V: And I think there is this also which I talk about it all the time if feel, that crawl before you walk type of mentality in business and in the custom apparel business meaning that you should know when you are getting this equipment and what is easier to do and what is harder to do, if you are buying it talk to a sales person about it, if you are learning it, talk to a technician or a trainer about it and they will say: Printing a 100% white cotton T-shirt is going to be easier significantly than printing some mixed blend red shirt with bright yellow solid color ink on it, there is different levels and one is harder to do than the other. What I find often is it seems, it feels this way that when somebody takes that big job that they need to have it done tomorrow with a printer that they got yesterday, it's also that is something which is already hard to do in DTG even for people who know how to do it.

Mark S: I understand it, I know the motivation is maybe you are a screen printer that is thinking about DTG for a long time and you got an order from a regular customer and you are just tired of farming it out, you've seen the guy print it, you know how to operate equipment, so I'll accept your order from your best customer and I am going to order this printer and we will get it all knocked out in a week and that's not the case or you're just getting into business so you want to go out and you want to get your first order first because there are some business people that will tell you to do that, so get your first order first so you know you have money coming in and then you'll go out and get the equipment and figure out how to use it.

Mark V: And there are business gurus out there that would say to do that, that can be a good philosophy for plenty of businesses but when you are talking about a technical business like apparel decorating where you have to learn a skill, I wouldn't recommend getting an electrician go out and get an electrician's job and then go and get certified to learn how to wire a house.

Mark S: That's a good analogy.

Mark V: That's a bad idea. Atleast with DTG printing you are probably not going to be electrocuted.

Mark S: I was just going to say that, probably.

Heath S: Probably.

Mark S: I don't know it's be close to a couple of times.

Mark V: So yeah, taking orders before you have a machine generally speaking is going to be a bad idea unless you are dropping a lot of kaviats into it saying: I can do that for you, no problem, is it fine if I don't deliver it though for thirty days, when do you need these garments? "Its fine they are for me spring event, I don't even need it till March". I'll probably take that order.

Mark S: That happens all the time.

Mark V: You have to be honest with your customer, you just have to ask and it will happen where you'll have people that aren't in a rush.

Mark S: And honestly you'll be surprised, if somebody says they need something by next Friday and you can say "Do you mind it if I deliver it on Wednesday or Thursday of the following week instead?" Sometimes they will be like "Yeah no problem, I don't really need it till the following Friday, I just want to make sure that it was done"

Mark V: Exactly, that's fine if you know that, then there is also the, you just have to be honest with them, you just have to say – I am getting this machine in I can't guarantee you that I can have it by January 30th and they have to understand that and if you are honest with them (that's one approach) the other approach I think is to take the business and don't do it yourself, outsource it.

Mark S: But now you know you can get the business, so buy the printer get that in and learn it while somebody else is filling your order and then you can get a little bit money to get started.

Mark V: Yeah, while you are learning your machine you can outsource it.

Heath S: One of the biggest benefits when I first started up my last company when I was doing T-shirt printing and stuff like that is while I was building up those sales is to find a network of people that do the same type of industry and I subbed out quite a bit of work at the beginning because I was taking care of other aspects of the business that also had to be... or were just as important as the income coming in. So by subbing that stuff out down the road you're going to be subbing out less and less and less and less as you learn a way to properly produce a quality product, because that's the only thing that an in-customer wants -their product quality and it look good.

Mark S: Yeah.

Heath S: Coz that's all they hear, they don't care how you got it done, if you had to drive 5 hours to pick up shirts, they don't care they just want a quality product.

Mark S: Don't tell them that story either, coz literally like : your shirts are going to be late but I got the wrong shirts in and the wrong color came in and this happened and this happened, they really don't care all they heard was you're not going to be able to deliver.

So give me an idea when you said setup, would that be a kind of screen printer or?

Heath S: There is screen printing houses out there, there are large production houses, people that are in the same shoes I was years before and they've already built that company up, but I can use them and discuss this and talk to those owners and stuff like that and say "hey, I would like to sub this work out to you" and just as an example I was based out in key West, I was using Sub-contractors in Miami, I am not in their market, they are not in my market either, so it was like a friendship type of thing, so I get a large 500 shirt order and I still had a couple of 30 shirts-60 shirt order so I can get those done and that 500 shirt order is getting done by somebody else but I didn't do any of the work.

Mark S: So tell me did it ever work the other way? Did those other people hire you to do jobs?

Heath S: You got to be able to classify your customers like job, because there are certain stuff like if I have one or two colors like a basketball names in there, I can sub that out to a screen printer at a wholesale rate and make only dollar or two per shirt but I am not standing at my DTG all day, I can do that for the stuff that DTG is mainly made for, the stuff that screen printers can't do and once that screen printer knows and I've told them and I am like "Hey I am a Direct To Garment user and I need somebody to do my screen printing for me because there are certain things that are just hand-offs"

Mark S: Yeah.

Heath S: And then they are like "oh you do some DTG, let me send you some work coz I have these clients that come in to meet on a daily basis that only want like a dozen shirts with like a photograph on it and once I tell them the setup-fees, the screen fess, the color fees and all of this stuff, they are paying for 20 dollars a shirt or 25 dollars a shirt and I don't want to have that on my customer it makes them have this bad taste in my mouth but if I take that order in and sub it up to you for a wholesale rate as well its a partnership."

Mark S: So let me just specify this let me breakdown that the power of direct to garment printing for those of you who are interested in the custom T-shirt business and you don't know about DTG, the power is that you can bring a file onto a computer (i am oversimplifying here) a full color graphic and you can print one shirt or you can print 10 shirts or you can print 20 shirts and all the setup was -was making sure the graphics were good, getting the T-shirts ready and printing. If you were to bring that to a screen printer – there are a dozen things that they have to do and spend money on to get ready before they print one shirt, so generally they won't do it. So the power of DTG is full colored graphics, different names on it, you can print one shirt at a time and that's why a lot of screen printer add Direct to garment printing to their shop or they look for somebody like you to farm it out.

Mark V: The problem was taking orders before you are ready and the solutions are too things either have a network of folks where you can sub your work out to and take orders but don't do it yourself or just say "i am not going to start taking orders until I am ready"

Mark S: Thanks for keeping us on track, I appreciate that.

Mark V: So we've got two schools of thought there, neither of them are wrong and neither of them are right, they are both good ways to do it and it is up to you, if you have enough business to get going you might as well get that money and outsource it but if not then don't spend your time beating the streets in the beginning if you have good cash-flow as we mentioned earlier then you've got the time to learn the craft.

Mark S: Agreed.

Mark V: I have another note that I made here which is I think along those lines. It's -using your equipment without being trained or watching videos or training videos or having live training done but opening up the box, just starting to do things because you can figure it out – Mistake.

Mark V: Don't do that, yeah don't do that.

Heath S: And the whole "real men don't read directions" that is not true, please read the directions.

Mark V: Yeah, it's not an IKEA desk

Mark S: And not just read the directions because you literally, you could not buy a Direct to Garment Printer from ColDesi or from anyone in the industry without being offered training and unless you just finished selling the same exact direct to garment printer that you just bought new and you were operating that one for more than a year, you need to check the training, doesn't matter what your experience is you need to get trained up on the new one.

Heath S: Exactly.

Mark V: Go ahead Heath.

Heath S: So, yeah I deal with calls all day long and stuff like that and it's a basic timeline of when a customer receives their machine and it is like a two to three months process to those learning curves of getting into it, so they'll start off with 4-5 calls a week and then it reduces down to 4 calls a week and then three – slowly you just never hear from them again, they are just getting through that first nuisance of looking at this big piece of equipment in front of them that they've spent money on and it doesn't do exactly what they wanted to do and then also knowing what tools they have, whether it be software or mechanical, graphically that they can do to get a certain desired effect out of it, so those are the learning curves that are kind of the hard exit people have to go through when they are first starting up.

Mark S: So let me ask you Heath, I am going to stop you right there, so you said "5 calls a week" How many of those are typically calls that the answer is normally covered in training.

Heath S: Pretty much about 90% of them.

Mark S: Okay.

Heath S: For example I have a blurry print or something like that, well did you raise the bed up before you loaded it or did you raise it after you loaded or my customer sent me a graphic, what's the DPI of it, oh it is only 72 DPI and I tried to blow it up to 12 inches tall and it looks like a checker board.

Mark S: Yes it does.

Heath S: Those are the things that you run into, that is not going to happen to everybody because people that get into this industry, they usually have this artist hype, you have your business types and stuff like that, so it depends on what type of client that owns this printer, what their specialties are and then their questions that they are going to have are going to be different from other ones. You've got to be able to

teach that stuff but one of the good things is that we do have a nice technician base here that can help you with those questions.

Mark V: Absolutely.

Mark S: I want to say one more thing about the training because... take the training that's what I want to say but there are self paced training that you can take with videos, you can take a live online training, you can come down to Tampa Florida for ColDesi's DTG machines anyway, you can take training here in our office.

Or if you are that serious you can hire one of our technicians to come out and train you on site. But whatever you choose make sure that you fully absorb that because I know what else is on your list Marc.

Mark V: What else is on my list is thinking you know it all, if that's where you're going.

Mark S: Yes absolutely.

Mark V: It doesn't matter if you have run printers since you were a baby, that you used to play in your dad's shop.

Mark S: That would matter because you would be on TV

Mark V: if you were in your Dad's shop and he owned a printing company and he used to do newspaper printing and he got all the way upto the sign world and then now you are jumping into the apparel industry, you shouldn't say to yourself, I know they say do this many head cleaning, but I know printers I don't have to do that, they just want my ink, I am going to say NO this is different, if you haven't done exactly this on this printer before so go into it like a sponge and the next mistake that is related is not asking questions because you think you know the answers, so asks questions and if the technician gives you an advice or a trainer gives you advice you should follow that advice.

Mark S: Yeah I think that unless if your name is actually Heath Schumacher you should not say "but this is the way I do it" like if you are on the phone with a technician and you are trying to get something accomplished and if you are more concerned with doing it with the way that you do it then getting a good result then you are going to get into problems and we actually get that all the time even on the Custom Apparel Startups Facebook group, we'll have people that are in Rhinestones using ProSpangles and they say "I need to be able to re-size the graphic" and I ask them to "grab the corner and re-size it" and to that they respond "I do all my designs in Corel" and their response is "This is the way I do things...". Okay then I can't help you with that part, if that's the way you do things.

Heath S: I get a lot of questions from people when I am on the one about how I learn this stuff and how I got to be as good as I am as a technician and I'll go ahead and bust myself out, I have made those mistakes, I have messed up equipment, I have burned print-heads out I have done all kinds of stuff and

that's how I am able to answer these questions and be able to fix it because I broke it myself. Luckily I have a warehouse here.

Mark S: I heard there was a fire once but I think that's just a rumor.

Heath S: I thought I got rid of that... But yeah it is one of those things if you don't ask questions of the people that already have done this stuff then you are going to go through those trials and tribulations of being frustrated and hating the equipment and stuff like that, don't get too frustrated with yourself in the beginning you have to have a little bit of a setup, a little bit of a learning curve for yourself and write down if you run into something or a question then write those things down. Send an E-mail to a technician, you don't actually have to do a support call but you can send questions and we can answer them for you or find someone that does have that answer.

Mark V: I think that you mentioned about the E-mail and the support and such, if you have a question today that you don't have an issue or an immediate need for it that's a great time to put in a support E-mail ticket or whatever it might be, so you can say "I have this question" Write it down, send in a ticket and this way you are not in a rush to get an answer, so you can focus on the rest of the things in your day because you are not hovering around your E-mail waiting.

Mark S: Waiting to print something.

Heath S: You are doing the rest of the things, so tomorrow or tonight when you check your E-mail again the answer is there and now you've saved that in your folder or whatever you do. So you got the answer to a question that you didn't have an urgent need for the answer. But you recognized that you didn't know.

Mark S: Agreed, Start with this fundamental fact is we've been selling Direct to Garment printers for 10 years?

Heath S: Almost, 10-11 years

Mark S: Right something like that.

Heath S: Since the technology was first introduced to the market.

Mark S: You can listen to our history of DTG podcast and find out exactly. I have to put the plugs in every once in a while, so we've been doing this and we've been selling printers and there are hundreds of thousands of thousands of people out there in the Direct to Garment World that are operating equipment and they are doing a great job and they are printing what they want to and they are perfectly happy with it.

So if you have a problem we are here to help you. But realize that it's not that all Epson printer aren't terrible and that's why you can't print, all Direct to Garment Printers aren't "BAD" machines and that's very

unlikely that your machine is just BAD, it is more likely that you need help with the process or you need help with regular maintenance or you have questions that need to be answered than just going right to them.

Mark V: That leads right in to the next note that I have actually which is "Taking advice from other parties too seriously"

Mark S: Okay, so what do you mean by that?

Mark V: What I mean by that is somebody else who used to own a printer or somebody who you met on Facebook who owns a printer in another state or whatever it might be but it is not somebody who is a trainer or a technician or maybe not necessarily an operator of the equipment or they own a different brand of Equipment, whatever it might be and they tell you "No, don't pre-treat they way that they showed in the video, that's a waste of time, this is how you want to do it."

Mark S: Right.

Mark V: And now you are doing a technique that is one person found it worked for them but maybe they don't care if the white layer is completely opaque, that is a solid white color print, maybe they don't care if the shirt is poken through a little bit but that's how they sell it and that's how their customers accept it and now you are having issues because you are not getting a white layer that you want but you are not pre-treating according to the instructions provided by the manufacturer and the trainer. So it is good to take advice from others and listen to other but when the advice from somebody conflicts with somebody who is training you on the equipment then it is your choice however you don't necessarily always take those things too serious.

Mark S: And that kind of also goes for the sales process too, because Heath knows he started when there wasn't any G it was just DT printer, the technology that he started with was so old and there were significant differences, so you may talk to somebody online who is really bright and has a successful business but maybe they have an HM1 DTG printer that they've kept running and running beautifully and what they do make a print and to maintain their machine and the problems that they have almost no relationship at all to the brand new Viper 2 and that's even more so if maybe they've got an anaget sprint that they've done really well with and they've tried a specific kind of ink, so they are doing all of these things and it is working our great for them, so when they give you advice they are doing it from a great place, like I am successful, I am doing this, my stuff looks great! you should try it and the answer is often NO, you shouldn't try it because it is a completely different situation.

Mark V: And we can only speak from our experience in dealing with it but there is no secrets being hidden in the DTG world that we don't want to share out in regards to how to do things, if we could figure out a way for you to pre-treat easier then we share that and we are also constantly looking for solutions by having like the spider mini-pre treating machine.

Mark S: Yeah.

Mark V: We are looking for solutions, we are testing things and on the supply side people all the time contact us with various ideas or thoughts and "I've read online that I should do this instead" and I would say that's not what we would recommend here, that's not what a DTG technician in training would recommend, so that's all part of thinking you know everything and thinking other people know more because they have no vested interest really in your success but we do.

Mark S: So, I watch a lot of Netflix, I really do and when you see all these TV shows do you know what happens? Somewhere in the plot of the show, someone tells the kid not to go to the party or they tell the adult not to break into the police station or something like that, it's when people don't do when others tell them that they get into trouble, I am going to say this the same thing for DTG, do what we tell you or do whatever that the brand that you are buying tells you to do, do that because the printers work and we are telling you to do that and they are telling you to do that specifically because we've done it and we know that it works. So if you do that set of things, then you'll be fine, if you don't then you're going to get caught breaking into the police station and go to jail.

Mark V: Its trying to find shortcuts or ways to... What I find in my experience with businesses is that I've had worked with and businesses that I deal with here, when we're talking on the phone with people is that often times ways to find trick shortcuts or save pennies often times leads to more trouble than it's worth. So if the pre-treating process takes a certain amount of time, there is no secret there are videos online to see how pre-treating works, you can see what they do when you got the equipment you know what you are getting into and prepare for that, that's what you should do and you will be much happier.

Mark S: And honestly we're working on improving all of that stuff 100% of the time, so we're not just saying that this is the way that you are always going to do it but we are saying that we're going to test different things and different techniques and when we find something that we know works, we will do a video, we will do a webinar, we will update our support information, so as long as you stay within that constellation of things we will help you be successful.

Mark V: And the same with embroidery and rhinestones and everything, our interest is in your success, if you are successful then you are going to buy more equipment from ColDesi or you are going to buy more supplies, that's our vested interest, it is in the success of that, I think that-that is a mistake that folks do and it all ties together, you thinking it all wrong, not doing what you are supposed to do, not asking questions and looking at others for advice because they found this hidden secret. All these things add up – a little bit of that all at once can end up costing you money or wasting your time or just frustrating you.

Mark S: Yeah.

Mark V: Maybe you are still successful but you find yourself having been frustrated.

Mark S: Yeah, what else you got there Marc?

Mark V: I am not practicing what we've kind of covered but there is one here that is for me that is the most important because I deal with it – is waiting until you are almost out of supplies until you put in your reorder.

Mark S: Right.

Mark V: So, you don't have enough Pre-treat to pre-treat shirts and then you get an order in and now you are ordering it and you are trying to overnight or second day air two gallons... of liquid which is expensive to send and you are stressed and you are trying to pay for Saturday morning Early AM delivery.

Mark S: And you don't understand why it is a million dollars to get something delivered on Saturday.

Mark V: Or and not factoring in the fact that just because it leaves our warehouse and goes into a UPS truck does not 100% guarantee that UPS is going to deliver it to you when they promised, they just might mess up, there might be a big snow-storm, there could be anything. So you are not factoring for that in, so you should have cleaning solutions and flushing solutions and filters and ink and pre-treat and you should have supply of all of this stuff for enough to do actual jobs and enough to maintain your machine.

Mark S: And here is the thing it lasts for a while, do you remember what is the shelf life of ink.

Heath S: The Basic shelf life of ink is about 6 months.

Mark S: So that means that if you have a Gallon of pre-treat and a little extra ink on the shelf that you think you can use in the next 6 months, do that! Just have more than you need on hand.

Heath S: Always have a backup for your backup.

Mark S: That's good and if you are using an M2, make sure that you have wins filter make sure you have all of this stuff because Marc is right, I don't think there is anybody that has better turnaround or more reliable order fulfillment than Colman & Company does, we look at those number every months, there is very few mistakes and the vast majority of orders though get out in the same day but we don't work for UPS and UPS doesn't write us a cheque, so Colman & Company responsibility is getting it on the truck, they are not responsible for how much you are paying for that, for getting the Saturday early morning delivery, even if you can, if you live in a remote area, sometimes you can't get 10AM deliver, you can't get Saturday deliver, then you're out of luck then it is on you, it's not on Colman & Company.

Mark V: On top of that, you can't leave your shop to go for the sales call because you are waiting for the driver, you are stressing out because of that, you are worried about possible, whether it is not being able to maintain your machine or fulfilling your order whatever it is, what I am trying to say here is if you were to but two gallons of pre-Treat, you know you need one but you but two, free ground shipping on an order and let's say you end up having to toss 10% of that pre-treat, just because you let it sit forever, you finally let it go bad, it would cost you significantly more money to order another one and have it overnighed shipped to you, miss out on sales calls and all of that stuff compared to maybe the possibility of maybe throwing away \$4 worth of Pre-treat.

Mark S: That's true. Colman & Company does not make more money it is not a sales pitch, because you are going to buy X amount of ink and X amount of pre-treat to complete the jobs that you are going to

do over next three months because you are going to buy the same amount of materials, it's all a matter of whether or not if you are going to pay for overnight shipping and maybe for some heart medication because you are over-stressed because you are not managing your inventory.

Mark V: And besides the fact it's a risk to equipment damage, if you need to do machine maintenance and if you don't have the cleaning solution to do it, you can't maintain your machine.

Mark S: And before we move on too much because I think we are getting...

Mark V: We are getting long here, we are trying to wrap up here.

Mark S: I want to move maintenance and maintaining your equipment back up to the top of the list.

Heath S: Thank you.

Mark S: Yeah, no problem Heath. So give me an idea Heath, what percentage of calls for existing DTG users are due to something they didn't do as far as maintenance goes.

Heath S: Maintenance related problems are pretty much about 80% of the calls that we do.

Mark S: Yeah

Heath S: Not cleaning it off at the end of the night, yeah you might have a long day of printing and stuff like that but always factor in the time, if the end of your day is at 6 o'clock, your printing should stop 5:30 so that way you have those 30 minutes to do your maintenance. Always, always do your maintenance. Let's say you don't do your maintenance, you don't clean around the edge of your print-head or you don't clear off your viper blade, so when you come in next day, you got dried congealed ink all over those parts and they rubber crossed your nozzle surface and now you are having mechanical more expensive problems because you did not do the simple stuff beforehand. The term that I use in training is preventive maintenance; prevent the major problems from happening.

Mark S: And it is not the kind, it is not like changing the oil in your car where you've got to put it up on blocks and get your hands dirty, I mean you are talking about what? 10 minutes? 15 minutes?

Heath S: Yeah, 10-15 minutes a night and then you got 5 minutes in the morning and those five minutes in the morning you are actually going to fill-up a cup of coffee while it is doing its own thing because a lot of it is automated. But if you are not going to do those things then you are going to have problems, it might not be a problem tomorrow but as it extends out, it quantifies itself and basically starts stacking up to a point where it becomes terminal and then you are frustrated because the machine is not working properly and stuff like that.

Mark S: Yeah.

Heath S: we will ask for pictures from customers, it is the first thing a technician does, we are like I am having this issue, I am not getting a good nozzle check "well when was the last time you got a new nozzle check?" well if you are telling me last week then you should be doing this every morning.

Mark S: Right.

Heath S: So, if you are not doing that proper maintenance then how am I supposed to be able to figure out what is going on with it. That is one of our biggest qualities that we lived for a technician is being an investigator, I was being able to ask these questions to our clients to figure out what is going on so that way we can give better advice on how we can correct it.

Mark S: And be honest with yourself and with us, if you do have a problem and you need to call because one of the first question that a technician will ask you is about maintenance and you are going to say that. Oh yes, I do it every day and every night, you're going to send a picture of your print-head...

Heath S: We know.

Mark S: And it is obvious that you don't. So you may just say as well that I haven't been doing my maintenance and that's going to cost you.

Mark V: With the maintenance and just because you didn't do it one day doesn't mean that your machine is going to break tomorrow so you think they say you do it every day but I do it three days a week and it's been fine for six weeks, well that might be a building up issue. Yeah it is going to be fine for maybe six weeks, it is going to be fine for eight weeks or three months, however you will not get the same life out of your equipment.

Mark S: Yes.

Mark V: Doesn't means that it is permanently dead but just parts that you should be replacing and taking care of.

Mark S: Yeah.

Mark V: you're going to end up having to replace or take care of them sooner than later and the same thing with altering how you do your maintenance and what ink types you are using, all of these things, all can be issues that build up overtime it might not for 90 days until you realize that all of that little stuff that I didn't do just built up to where now I am not having to spend time and money on something I wouldn't have had to.

Mark S: I am going to add a little something that I've heard a couple of times and that is, it is kind of like maintenance is – you get your DTG printer and we've gotten phone calls saying "I bought my printer in October last year and I'm just un-boxing it now, what kind of problems could that kind of thing cause".

Heath S: There is all kinds of things, with leaving a piece of equipment sitting in a box there is environmental issues, dust issues and things like that, so pulling that stuff out of the box you'll have to go through some basic maintenance, starting it up and things like that, I would definitely recommend getting on the line with technicians and going through the training before you even pull it out of the box, even though out might have gotten in, you watched the videos when you were thinking about purchasing – it looks easy and all this other stuff. But before you pull it out and start loading it up with ink – Go through the training, that's the biggest thing if you haven't gone through that training this will be a very frustrating piece of equipment.

Mark S: So maintenance is a huge thing whether or not if you are just getting started or you are an old timer and adjusting that maintenance schedule according to your own opinions or someone else's opinions is just what Marc Vila was saying earlier is taking people's advice over the standard procedures and it is just not a good idea.

Mark V: Yeah I think that we covered a bunch of things and I think that what I am getting out of this is the main point on the DTG side of the business is that this , it is not impossibly hard, it is not terribly hard to do and it is not tons and tons of work to maintain as you mentioned, however this is a craft that you are learning, it is a piece of equipment that you are learning just like embroidery or just like rhinestone equipment or a cutter or anything like that. Just like if somebody were to buy a fork lift...

Mark S: Or screen printing.

Mark V: or if somebody decided that they are going to be a plumber, all of these things are skills and traits that you learn, there is a learning curve for all of it, some things you're going to pick up immediately like for me I am good with software, that's one of the thing I am good with, you can hand me a piece of software, you can show me a few videos, I'm going to be comfortable with it right away. A few days ago I was speaking with a friend of mine about apps, they were asking me about how to do something on an app and the first thing I do when I download an app is I click every single button and piece in the app and I learn everything that it does and now I know it and that's me. So it is easier for me than something else, for you it might be easier to pick up the software and learn how to use the rip software and graphic software and maybe putting the shirt on the machine is harder for you or the pre-treating, so everyone is going to be different but it is a skill that you are learning and take time to learn your craft however long it takes you to learn it.

Mark S: And we talked about 2 sets of things, we talked about basics of business and we talked about the specifics of DTG and remember the topic of this podcast was the biggest mistakes made, I think we're going to have to balance it out because like we did say there are thousands and thousands of people in the custom T-shirt business, it is a lot of fun, it is a great business to do and it can be really profitable and like any businesses you get into you just have to do the preparation before you start and do the maintenance and organization to keep it going.

Mark V: Heath do you have any closing words?

Heath S: I'll be talking to you on the phone!

Mark S: There you go.

Mark S: Alright so this has been Mark Stephenson from ColDesi.

Mark V: And Marc Vila from Colman & Company, thanks for listening.

Mark S: Yeah, have a good business.