



### INTRODUCTIONS FIRST

We are the founding duo of Koti Ltd, a product design consultancy specialising in homewares. We consult for major high street brands. As designers ourselves, we appreciate how much hard work and effort it takes to not only start up a company selling products you have designed or made, but also maintaining it.

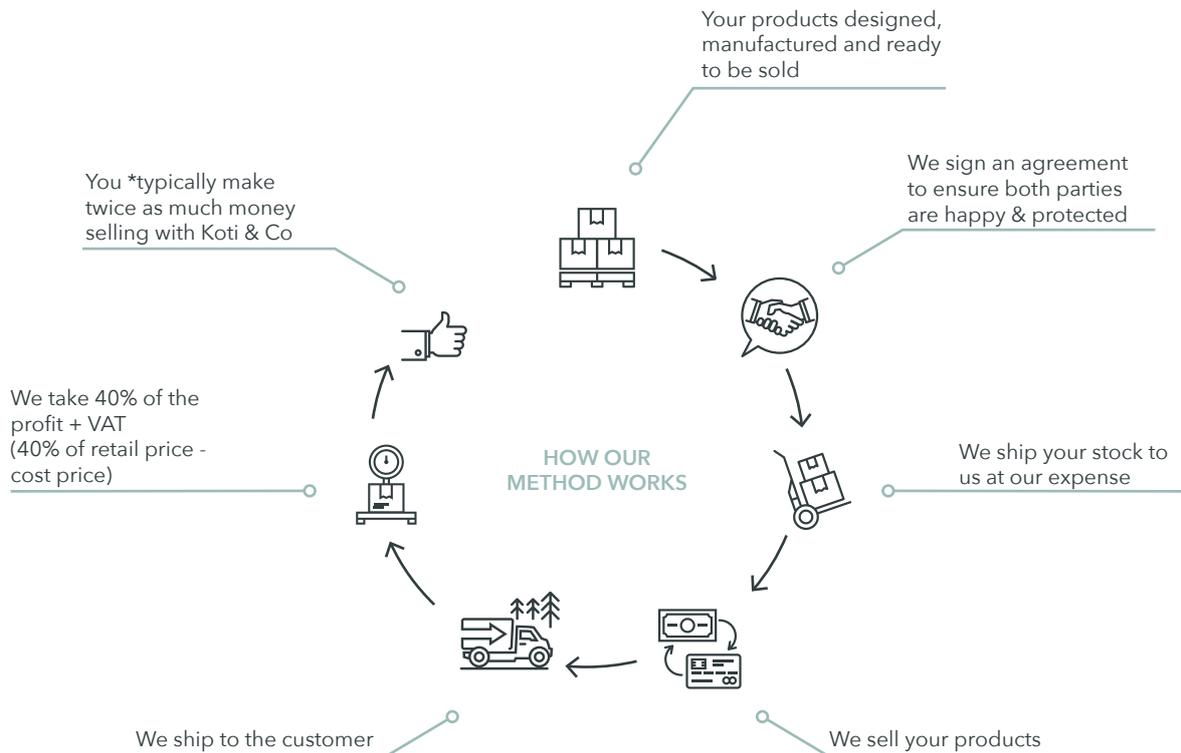
Because of this, we are setting up Koti & Co, the webstore that supports designers. We aim to be as versatile as possible when working with our suppliers, we offer the usual wholesale stocking methods but have also developed our own approach which allows the designer to receive majority of the profit from sales, unlike most other retailers.

Curated by us, Koti & Co will feature products that are beautiful, timeless pieces of original design. Products which are functional but have added value, whether that comes through extra functionality or considered usability.

Our ethos is to provide a fairer business model and working relationship that benefits the designer first and foremost. We hope this will support established businesses looking to expand and encourage up and coming designers to take the big step into production knowing there is a platform for them to grow alongside.

*Kat & Nic*

PS. This is us trying to take a serious 'look like a designer' photo. We like doing things a bit differently...



We love to find beautiful, timeless and original pieces of homeware design. Koti & Co will be a webstore full of collections expertly curated by Kat & Nic. Before any stock exchanges hands, we sign a piece of paper to ensure everyone is protected and happy with the Koti & Co process and strategy. From the moment your stock leaves your warehouse and travels to us (at our expense), it will be our responsibility.

We then sell your great products on our fantastic website, we ship your products to the customer and then take 40% + VAT of the profit (RRP - cost price). This results in the people we work with making up to twice as much profit as they would if they were to sell at wholesale price. This method is dependant on you letting us know what your cost price is, and to do this, you would need to provide us (only once per product) with a breakdown of how much it costs to manufacture, including any shipping or packaging costs that may be incurred.

\*The amount of profit depends on how favourable your profit margins are for your RRP, the bigger the margin, the more profit you will gain if you sold your products through Koti & Co.

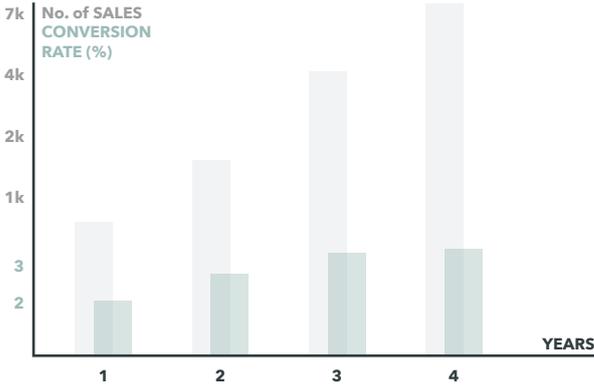
## NUMBER CRUNCHING

Our business strategy is somewhat different to that of a typical high street retailer. We consider it to be more ethical in terms of supporting creatives and the creative industry.

We do this by giving as much of the profit as possible back to the people we stock in our collections. This, in our opinion, allows their business to thrive, whether this is by supporting themselves or putting money into designing and manufacturing new products.

These figures to the right are examples of the various profit margins when selling using different methods. Using our business strategy there is potential for the designer to make up to twice their profit when comparing against selling at wholesale. In this example, with a cost price of £8, the designers profit is £12 after selling wholesale. With Koti & Co, the designers profit will be £17.70.

£8	£20	£37.50
Cost Price	Wholesale Price	RRP
£12	£15	£17.70
Designers profit with high street retailer	Designers profit with 'sale or return'	Designers profit with Koti & Co



## SALES FORECASTING

Predicting sales for a new business venture is very challenging, as there is no previous history to base figures on. However, our marketing strategy is just one of the many ways in which we are planning to attain these targets.

While these predictions for future sales are based on the knowledge, figures and budgets we have, we are treating them more as benchmarks which we are determined to achieve and then surpass. While our aim is to sell great products, our focus is to always support the creative industry by establishing an ethical e-commerce platform that encourages designers and brands to grow.

## FAQ's

Do you still use wholesale methods?

*Yes we do. We understand that our approach doesn't work for everyone, so our aim is to be as flexible as possible. If there is another supply - e-commerce method you would like to us, give us a call!*

Who is responsible for stock should it become damaged/stolen/lost when it leaves my warehouse?

*We are. We understand that you are undertaking risk offering up your stock without wholesale payment. Therefore, we will reimburse you for the profit you would have made if we had sold your product if it should be damaged, stolen or lost while in our possession.*

Do you take 40% of the retail price?

*No, that's what make us different. We take 40% of the profit after cost price (which is the retail price - cost price). E.g. cost price = £8, retail price = £37.50, our cut would be  $(37.50 - 8) \times 0.4 = £11.80$  (+ VAT). This leaves you with a total profit of £17.70 (- VAT) as well as covering your cost price. Our method works best when you have a very good margin between your cost price and your RRP.*

Isn't this the same as a 'sale or return' agreement?

*No, our business model is slightly different to a normal 'sale or return' agreement. Usually the Designer is worse off as 'gallery' style shop, often the gallery doesn't take responsibility for your products as they leave your warehouse, so if they are damaged, lost or stolen, you lose out. Usually 'sale or return' agreements entitle the retailer to take around 40% of the whole RRP, so the Designer receives less profit from their products compared to our business strategy.*

What happens if you don't sell my products?

*If we don't sell your products, we can't cover our costs for Koti & Co. There is incredible incentive to ensure your products are sold. Your products can stay with us indefinitely until they are sold, however should you prefer, we can return them to you after a pre-arranged amount of time. If we haven't sold your products within 6 months of publishing them on the webstore we will give you wholesale value of the entire stock.*

## WHERE WE LIVE

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