

# **The Chicago Embroidery Company → Past-Present-Future**

## **Company Background**

The Chicago Embroidery Company is a 118 year old company that makes embroidered patches, also called embroidered emblems. At one time the patches were made in two Chicago factories, now the factories are gone and the patches are made in the Pacific Rim.

The customers who buy patches from the company range from uniform companies, fire and police departments, soccer teams, industrial users, schools, non-profit organizations, and a variety of companies.

## **Problem**

Nationwide, people are using fewer patches. The competition is fierce for the customers who are there, and CEC has lost its competitive edge. Since the overall market is flat to shrinking the only plausible way to grow is to take customer away from the competition—or—find a new market or a new way to sell patches to the old market.

Our IPRO was given the following task: Find a way to increase sales

## **Organization of the Team**

After discussing ways to advance revenue, the team decided to split up into two main groups

### Marketing Group

- Researched different ways to reach the community and get our current product known.
- Investigated different aspects of the way patches are sold and what the customers would really want from a custom embroidery company
- One member placed extra patches from the owner on EBay to observe whether the market exists for online sales

### Product Group

- The Product group researched different new and upcoming uses for patches or embroidered emblems, and worked on designs for new, consumer-driven patches. They also began working on the organization of a website that will be needed for online sales.

## **ThreadConcept—a new vision**

Rather than integrating new concepts into an already existing company, we decided to begin a completely new web-based division—ThreadConcept—that manufactures custom patches for the consumer's needs.

While keeping CEC focused on the corporate side of the market, ThreadConcept will be a consumer driven business, selling graphic patches that represent current fads. Consumers also have the option to submit their own artwork and ThreadConcept will create the patches for them. Following the consumer driven theme, ThreadConcept has a weekly contest in which consumers submit graphics and vote to see them made into patches. The business itself is entirely internet based, making it accessible to all online users.

- ThreadConcept Products
  - Scrapbooking Patches
  - Political Activism Patches
  - Current Fad/Trend Patches
  - Custom Order Patches
  
- ThreadConcept Goals
  - Obtain new webhosting, with a professional website to go along with it
  - Generate a stable market base within a year
  - Generate enough momentum that weekly contests have at least 30 entrees
  - Produce net income levels of 3 million dollars in a span of five years
  
- ThreadConcept Accomplishments
  - Website format established
  - Designs for online products in the making
  - EBay Sales increasing

#### ThreadConcept Future

Assuming the ThreadConcept proves successful, the owners will explore possible new technologies that can be applied to embroidered patches. Further, if business continues to expand, ThreadConcept and its parent company, Chicago Embroidery Co., will attempt to pick up overstock patches from smaller distributors and sell them through alternate E-Commerce means.

ThreadConcept's future plans include:

- Invest in embedded portable media, such as the use of OLED's
- To explore additional uses of embroidered art and alternate means of distributing it