



# It's in the Bag

*The decision to expand internationally as a small UK-based business is not to be taken lightly. Criticaleye and Sue Douthwaite, Divisional Managing Director for the North at Santander, talk to BIDBI's **Julia Gash** about why she is prepared to 'put everything on the line' in order to achieve high growth*

On a Christmas Eve at the heart of the credit crunch, **Julia Gash** had that sinking feeling. Way out on the Atlantic ocean loomed a vast container ship, chugging its way inexorably toward the UK with a significant investment of bespoke products for her new business – products for which she had no way of paying.

The investment had been made after securing a cash injection against the value of her home, but at the last minute the lender had cold feet and withdrew, blaming a likely fall in the value of the property due to the financial crisis. “I remember it so distinctly,” she says. “The

stock was on the ship and it was coming towards us and I didn't have enough money to pay for it at the other end. I had a daily challenge to find another lender and I was going everywhere, knocking on every door and couldn't get anything.”

At the eleventh hour, after a suggestion at a networking event, she tried her local business angels network: “This was a week before Christmas and everything was shutting. I rang and they said: ‘We're closing up but we've got two hours. If you want to just email something through, as a favour I'll email it out to our business angels.’”

Few entrepreneurs have it easy, but those that have set-up and flourished in the years since the credit crunch really have earned their success and deserve their moments of providence. In Julia's case, the day before the ship arrived at port, an angel investor agreed to supply the crucial funds and to support the company.

“I do remember I just sat in the car with my partner one night almost close to tears – I think, I probably was in tears – saying: ‘I can't see how there's anything else I can do.’ But there was something out there and I've learnt now that whatever challenges I get, there's always an answer, there's always a solution.

“It’s about having the confidence that something will come through. That doesn’t mean being complacent or allowing yourself to get into those trouble spots – obviously I’m so much more cautious now.”

## A TIME FOR START-UPS

Julia’s experiences as a serial entrepreneur has stood her in good stead for her latest venture, BIDBI, or Bag It Don’t Bin It as it was known before

being rebranded. She had been running a lingerie business when she decided that a change was needed. “Just as sometimes relationships do, my business had evolved into that stage where you find yourself in a place and you wonder, ‘How did I get here?’ One day somebody bought some underwear and because they’d spent over £30 I gave them one of the branded cotton bags I’d made. They enthused about it and they even bought another bag.”

Julia had kept a print studio and printing machinery from a previous venture. It was semi-dormant, but she rolled it out once a month to print a new batch of unique bags for her shop. “Suddenly, it clicked: I knew about printing. I was brought up in a print company, my dad was a printer, I was working there from being a dot – school holidays, Saturdays. I did printmaking at university.”

It dawned on Julia that instead of competing in the clothing retail industry where margins were ever tighter, she had the skills to seize on an opportunity in an area where interest was growing with each passing year. “I knew people would be looking for more innovative, green solutions, so eco-bags made perfect sense. It was a light bulb moment, where it just came together.”

The decision to create a manufacturing business in Yorkshire in 2007 did carry a number of dangers, but Julia believed that the rewards were there for the taking. “I saw it as a growth area in ‘green solutions’ – an industry which was growing, not shrinking,” she says, noting that the company now has 20 employees and is on target to reach sales of £1.5 million this year. It’s also on the verge of major export-led expansion.

For the first few years of the new enterprise, even Julia’s more ambitious dreams were quite modest. “As there were just a couple of us, I didn’t ever envisage more than six to eight employees and I didn’t see beyond that,” she reflects, adding that there didn’t appear to be much support for people looking to start a business.

The scale of her ambition revved-up considerably when larger companies took a liking to her products. “The very first ▶

### KNOWLEDGE IS POWER

The trip to the US through the Breakthrough Programme, which is aimed at companies of between £500,000 and £10 million per annum which have posted growth of 20 per cent or more in turnover, profit or employment, has proved to be particularly enlightening for Julia.

She travelled with 11 other female SME business leaders and until then had not considered international expansion as a serious part of her strategy for growth. Now, because of the networking she did on that trip, both North America and Japan are key markets for BIDBI’s imminent expansion.

In terms of financing, she is receiving conventional growth capital funding rather than mezzanine funding. We do have some quite innovative trade products as well around supplier payments and invoice financing when it comes to devising ways to assist with working capital requirements.

However, this Programme is about more than money – it aims to find entrepreneurs like Julia and to give them the confidence and support to grow their businesses in a way that British banking has never seen

before. For instance, another benefit of the trade mission was that the 11 business leaders that went together have remained in-touch and have become a useful community for each other.

It is important to have a network of people that you can contact who know what you’re going through and the dilemmas you face as a leader. Actually, I think it’s critical and the women’s trade mission shows that you can create a community and, even though your businesses and sectors may be different, you can draw strength and insight from being in similar situations.

British business banking tends to be on a tramline of overdraft, loan, security and mortgage. What we’re trying to do is widen that out and Julia is a great example of being creative in how she uses networks and support groups, such as Finance Yorkshire and YABA (Yorkshire Association of Business Angels), to grow her business.

#### Sue Douthwaite

*North Region  
Divisional Managing Director  
Santander*

time I really saw it was when I did our first Trade Fair. Everything was so hand-to-mouth that I could only afford to book the stand at two days' notice. It ended up with us being approached by Waterstones, who is still a client. When I saw that potential, it took us to another level and I could see from our success in winning repeat business where this could go."

## THE MONEY PIT

As with many growing business, managing cash-flow is often the number one challenge. "We've been completely under-funded," Julia admits. "None of the funding we've had has really addressed what the problem is and what the challenges are, which is that as we grow we have cash-flow problems caused by the fact that we have to pay our factories overseas [in advance]. Loans have helped, but it's not easy to grow a company where the quicker you grow, the bigger the problem becomes in terms of cash-flow."

It's the classic dilemma of how to judge the pace of growth. Refreshingly, Julia has decided to go for it, inspired in part by a trade mission to New York hosted by the Santander Breakthrough Programme (see box-out). "At that point, our business was growing at about 15 to 20 per cent per annum," she explains. "Since then,

it's reached 40 per cent and the only difference, really, has been a change in my attitude and what I came back with from that trip. I implemented the ideas it gave me, changing some staff, altering roles, responsibilities, and making the decisions that will enable us to grow."

Looking to expand her horizons and win customers outside of the UK has been a smart move, although as the company has increased in size she's had to be more disciplined about her duties as a CEO. "A challenge for me personally is to stop working 'in' the business and to start

working 'on' the business, because I've got my foot in both camps at the moment and the more the business grows, the harder that will be to traverse.

"So now it's about me acknowledging that and my staff

acknowledging that too, so that they take more ownership. It's also about me recognising what I need to do to play to my strengths, to free myself up to do what I need to for this business, which isn't dealing with the day-to-day."

It's quite a shift in mindset but Julia is convinced it will be worth it the end, especially given how BIDBI is starting to win clients internationally. "This is not just about being good at something; you've got to absolutely love it in your bones as well," she says. "At the end of the day, for

a business to really grow fast, often you've got to put the hours in and occasionally put everything on the line. If you fail to commit fully or you don't absolutely love what you're doing, then it's not going to happen."

Spoken like a true entrepreneur. ■

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*This article forms part of a series of interviews with high growth businesses conducted in association with the [Santander Breakthrough](#) programme*



**Julia Gash**  
CEO,  
BIDBI

*A serial entrepreneur, Julia Gash started BIDBI It in Sheffield 5-years ago. The company produces bespoke designed eco-bags for the fashion and retail industry. Clients include a lot of premium fashion outlets and art galleries.*



**Sue Douthwaite**  
Divisional MD, North,  
Santander

*Sue has extensive banking experience spanning over 25 years. Having recently joined Santander Corporate Banking, She leads a team of 75 locally based experts who provide a dedicated relationship banking experience to businesses across the North of England. She is a council member of the North West CBI, a member of the prestigious Two Percent Club, and is actively involved in the women in business agenda in the North.*

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