

"We could not have imagined how much of an impact James Dillehay's advice would make on our business. To our delight we are seeing results on a faster and larger scale than we expected in such a short period of time!"

Ken Kobrick & Angela Geene,
www.Passchal.com,
featured on the Today Show

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Consignment arrangements work best when you have plenty of inventory to spare and when you can have a good relationship with the store owner. Don't consign a few pieces and then yank them out just because you need inventory to do a crafts show.

Craft Marketer

NEWSLETTER

Should You Sell on Consignment?

by James Dillehay

What is Consignment?

Consigning your craftwork means that you leave your items at a store without receiving payment until some time after the sale. Pieces remain your property until sold.

Typically consignment stores or galleries split 50/50 with the artist and pay monthly.

When selling outright to a store, terms are similar—store pays 50% of the retail and usually expects 30 days credit terms to pay for items bought.

Consignment is looked on with different feelings by every craftsperson. Some say don't do consignment at all. Others have a softer attitude toward the situation.

Are there any good reasons to consign your work? Maybe. Every store or gallery I have consigned to has let me set the retail prices. Of course, it makes sense to discuss pricing with the owner to know how similar products are priced.

Before consigning your products,

consider the following:

- What distance is the store located from you? The farther away, the more chances of problems and the more expensive it is to ship.

- How long has the store been in business? New store owners are most likely to have problems with cash flow and paying their suppliers.

- Ask other craftspeople if the store has a reputation for nonpayment or late payments.

- If you consign, leave at least ten to twelve pieces on display. The more pieces shown, the more you'll sell. You may choose consignment arrangements simply to get in with certain desirable shops. If you consign, make it a policy to work with stores where you can generate positive relations with the owners.

Consignment Agreement Form

If a store owner approaches you but doesn't already have a consignment agreement form or refuses to sign one with you, walk away.

A signed agreement form spells out that the crafts consigned to the store are still your property, should the store go bankrupt.

To the right is a sample agreement form that covers the basic questions a craft artists has. But don't hesitate to ask a store owner to modify an agreement form if there are more points you want in the agreement.



James Dillehay
*Helping You Profit
 from Your Creativity*

James' craft marketing books have been highly recommended by The Crafts Report, Family Circle, Sew News, Bead & Button, Country Almanac, Sunshine Artist, Ceramics Monthly, Working Mothers and many more craft magazines. He serves on the advisory boards of the National Craft Association and ArtisanStreet.com.

SAMPLE CONSIGNMENT CONTRACT

The undersigned, owner of _____ agrees that _____ (artist's name) is a consignee of the _____, (store address). The medium/media in which the above has been accepted is _____. The artist's work will remain the property of the artist until it is sold. The Gallery maintains an insurance policy against personal property losses, burglary, and liability. The undersigned consignee named in this contract understands and agrees that:

1. The Gallery shall retain a commission of 50% of list price of any article. The Gallery shall use the artist's recommended value as a guide for pricing articles. Any changes in pricing will be discussed with the artist beforehand.
2. The Gallery will deduct all consignment commissions from the selling price of any item and will remit the balance to the artist monthly. Checks to artists are written on the 10th of each month for sales, less returns, through the last day of the previous month.
3. Consigned items will be displayed for 90 days unless the artist is notified otherwise. Upon notification, articles must be picked up within 90 days by the artist or designated agent or shipped back upon request. The Gallery will pay return shipping for unsold items after the 90 days. If the artist requests items to be returned before the initial 90 days, the artist will pay shipping costs unless artist picks up items at the store.
4. The artist does ___ or does not ___ wish to make articles available through the store's layaway plan.
5. Like works by an artist exhibiting at The Gallery which are for sale elsewhere in Madrid, NM shall be priced the same as the established retail price of The Gallery.
6. The Gallery requests that a one-week notice be given before removing any items from the store.
7. The Gallery retains the right to accept or reject any articles presented by an artist for sale or display and further retains the right to display articles in any manner which it deems appropriate.
8. Items discounted to decorators or designers result in the discount being split between the artist and The Gallery. The amount of the discount will not exceed 15%.
9. In the event of closure, The Gallery will return artist's work and make payment for sold items as stated above in item 2.

Articles are accepted by the The Gallery for sale subject to the terms and conditions of this contract. The artist specifically represents herself/himself as the lawful owner or agent for the owner of all consigned articles and that there are no liens, encumbrances, or payments due on any article.

This contract will be binding for one year and renewable yearly or until such time that either party violates the terms of said agreement or until new policies demand adjustments.

_____ Signature of Owner of The Gallery _____ Date

_____ Signature of Artist _____ Date

Excerpted with permission from *The Basic Guide to Selling Arts and Crafts*, (Warm Snow Publishers). Everything you'll need to know to start your own business; succeed at craft fairs and trade shows; sell to stores, interior designers, and corporations; pricing tips, extra income ideas and more.