



Introduction:

Costume protocol is a huge part of owning a dance studio. As you know, there are many ways to arrange your costuming system. In this masterclass, we are going to discuss how you can make costumes profitable for your studio, but also how to keep them affordable for your students and their families. We are going to go over several different options so you can consider what would work best for you and your studio!

A special shout-out to Alisa Finney and Kristy Ellis for their contribution to this workbook.

Goals:

By the end of this masterclass, you will:

- Understand the differences between all-inclusive tuition vs. separate fees/bundle pricing.
- Have several examples of ways you can structure your costuming systems so that it's profitable but still affordable.
- Use customizable templates to determine your costs and will keep you on track with costume best-practices through the entire season.

Top 3 Benefits:

1. Costumes are a big part of running a dance studio. Having your costuming system solidified will help eliminate that scrambling feeling each year.
2. If you have a costume coordinator, you can ensure your costuming system will help them stay on track.
3. By solidifying a costume system, your families will know what to expect each year. Consistency will help your families feel like you're in control and organized.
4. With the different examples we are going to offer, you will be able to make the best decision for your studio in terms of profit and affordability.

Things To Consider Before Implementation:

The biggest consideration should be your performance/s schedule. This will determine which type of system/s you adopt:

- Do you have multiple community performances year-round?
- Do you perform The Nutcracker?
- Do you participate in dance competitions?
- Do you have an end-of-year showcase or recital?

Once you figure out how many costumes you'll need per dancer/per performance/per season, you can start the process of establishing your costuming system or protocol.

Sourcing Options:

First in the costuming process, you'll need to choose your preferred way to source costumes at the prices that work for you.

Facebook groups: There are so many buy, sell, swap Facebook groups. Type in 'dance costumes' click Group tab and join a few different groups. Try to find some that are not local to you for more variety.

Offshore manufacturing: It can seem so daunting to get into this space, however, it will save so much money. You can remain in control of every detail, or you can hand the whole thing over to an agent. (more on that below) Plus, if you choose to go on a costume buying trip, you get a bit of a working vacation, too!

Buy direct from manufacturer: You can purchase from them directly on websites such as DHgate or Aliexpress.

Tips When Using These Options:

- Ensure you use PayPal or a credit card with insurance to have cover for any altercations with your order.
- Be sure to have very clear instructions with your order.
- Try to have a supplier agreement in place prior to paying any money. This will show you know what you are doing.
- Ask for spec sheets for their product (measurements). Ensure you have everything in writing, including how many of each size you have ordered. If they do not have an order form for you to fill out, create your own.
- Usually, you will need to pay a 50% deposit before they start making your order. Always request a photo of a sample of your product - not the photo that they advertised the product with (usually this isn't their photo).
- Ask for a photo prior to sending the package.
- Ensure you have the correct tracking number of the parcel. Go to the shipping company site and type in the consignment number.

Trade Tours or Costume Conventions:

Buying trips are suited to businesses wanting to purchase smaller quantities or share shipping with another business. A guided tour allows you to buy fabrics at the largest wholesale markets and seeing first-hand where your costumes are being manufactured. An agent will then organize the shipping if required to get your purchases home.

Costume Conventions are a great way to see your costume selections in person before you buy. Typically, each costume company will have a few dancer models who will try on the costumes and even dance so you can see how the costume moves. This will save your peace of mind as you'll know the costumes you order are going to work, and you won't be stressed with last-minute changes!

Determining your costs:

1. Determine the cost of each item you are considering including in your costume.
 - a. No matter how you end up sourcing the costume, you need to understand your costs. Make sure to determine your pricing for any additional accessories and/or props that you are providing with the costume.
2. Determine the additional costs associated with the costume. Other small little charges can really add up! You need to make sure you are looking at all the fine print and include that in your total cost to provide a costume.
 - a. Here are ideas on things to include in your costume cost:

- Shipping & handling
- Tax
- Alterations
- Lost/replacement accessories

3. Determine your labor costs.

This is where a lot of studio owners lose out on costume profit. They determine the costs above but forget their time and their team's time in the process. You need to determine the amount of hours it will take to complete costumes. You need to include time spent:

- Planning
- Following up with teacher selections
- Taking measurements
- Ordering
- Organizing
- Labeling
- Distributing

Once you've determined the amount of time it will take, then factor in the cost of labor for all those hours. This cost should then be divided across all the costumes you will order.

4. Finally, calculate the profit margin you would like to have on each costume. We recommend 50%. Once you've added your profit margin, ensure the pricing is reasonable and competitive while also allowing you to make a profit.

[Click here to use our Costume Calculator](#) google sheet to track the costs of each item to determine profit and final pricing. You must enter your information in the yellow boxes. The rest of the sheet will calculate the formulas for you. If different costumes are different prices, you will need to do this exercise for each, or bundle them according to price.

Payment structure options:

As we've stated, there are many ways you can structure your outward pricing for costumes. We have gathered options that have brought success to several studio owners:

- Pay a \$X/costume deposit in October and the balance in December, especially before the holidays so families aren't stressed.
- For little ones that are in Ballet/Tap combo classes, try to stick to the two-in-one costumes to save on costs. Parents appreciate this option.
- Tuition is calculated to include 1 costume, and you can market, "First costume is free!"

Best Way to Collect Costume Fees:

When it comes to families paying for the costumes, we highly recommend using your studio management software, like DanceStudio-Pro.

For example, if you use DanceStudio-Pro, you could do the following:

- Once you know if a student is participating in the performance/s, set up their Payment Plan

- Give the costumes a due date and have the system automatically add the late order fee
- Make sure the settings are selected to add the costume fee to all late registrations

This system will require very little payment chasing on your end and will free up your time for other tasks.

More commonly, studio owners will purchase all costumes upfront because waiting for full payment from families before ordering can result in the costumes not coming in on time.

Tips for distributing costumes to students that have been purchased by the studio first:

- If you notice delinquent costume/tuition balances, you can hold the costumes until the accounts are up to date.
- If they do not pay, you can add that costume to your inventory as an extra in case someone else loses an accessory or needs a different size.

All Inclusive Tuition

Another option to consider is all-inclusive tuition. Charge your families a one-time fee that includes:

- Registration fee
- Class tuition
- Costume fee
- Recital fee
- Recital ticket bundle

It will be a significantly larger number up front, but allowing your families to pay in increments throughout the year will keep consistency for them. This will eliminate surprise costs and questions/rebuttals. Having this all-inclusive tuition will increase your profit at the start of the season, giving you more financial cushion when you go to purchase all the costumes.

How to keep prices low for you and your families:

1. Double up on design:

Use one costume for multiple routines in your recital or concert. Parents love this as it shows you have put a lot of thought into how much performances are costing. For example, the age group 8 & under might take ballet, jazz, tap, acrobatics and musical theatre. Group jazz, tap and musical theatre into one costume. Ballet would be a separate costume. Acrobatics would use the ballet leotard but just add some tights or shorts.

In this suggestion, the potential of 5 costumes becomes 3 or possibly only 2. You can then mark up the costumes giving you more profit but only have to buy 3 different types of costume saving time and shipping/tax costs.

For example,

Base: Leotard with boy leg

Ballet: Tutu / Skirt

Jazz: Add accessories

Tap: Leggings / Frill skirt

Hip Hop: Pants

2. Set yourself up with stock:

Having stock is tricky. Obviously, buying bulk increases your savings but you don't want to be stuck with the stock unable to move it and lose money.

Remember: Your pricing must reflect the risk involved in buying and holding stock!

A customer will always think that a product is inferior in quality if it is priced too cheap. If your local dance shop is selling leotards for \$50 then this is your price guide. Costumes are similar. Do your research. It may seem expensive to you, but you know what the initial cost is. Make the most of buying product out-of-season or annual sales.

This plan works best if you have a strong new student attraction plan to fill the classes and sell the bulk costumes. Knowing you will use up all the stock will give you peace of mind. Be organized! Like retailers follow the seasons and purchase stock well ahead of the release dates, studios need to understand the savings that can be made by planning your purchases.

Without a timeline, you will buy costumes at the last minute and spend top dollar. You may even miss out on stock from a supplier because you waited.

Renting Out Costumes:

This is a great solution to make costumes profitable! [Let's use IC Captain Alisa Finney's system](#) for the Melbourne Ballet Company as our example. Alisa loans all her costumes to her studios' dancers. The organization she has exemplified will take more time upfront, but will save you hours of digging, repairing, and cleaning last minute.

The key to this system is charging a "participation fee" or "production fee."

- This is replacing the revenue you would generate from selling the costume but will cover your costs for the initial purchase of the costume and your team's time in setting it up.
- Once you have built up your costume inventory and you are no longer paying for costumes, the production fee will become mostly profit!
- This is a more long-term strategy for profitable costumes; however, when done right, it will make costumes VERY lucrative in the long run.

Following this system, we suggest creating a fee for any costumes that are damaged or lost while out on loan.

Making Costumes Work for Year-Round Enrollment:

You want to enroll students all year long! But, how do you ensure you have a costume for them when it comes time to perform? Here are a couple of ideas for how you can structure this:

- Order 3-4 extra costumes for the classes that typically have late enrollment. Use your best judgement on sizing. We recommend ordering them in a larger size and make alterations as needed.
- A student can join the studio at any time, but must enroll by a certain date to perform

- To compete, you must have enrolled by a certain date
- To participate in the recital, you must have enrolled by a certain date

The costume rental model will work well for you if you have an influx of students who join in the spring. You don't have to worry about last-minute orders, alterations, etc.

Typical Costume Checklist:

Check out this [Costume Checklist](#) to stay organized throughout your entire season. This checklist is specific to studio owners who purchase their costumes up front, and have families pay after, but you can certainly use it for other costuming systems, too.

Wins:

(Win/Share) This past week was Costume Week at our studio (disclaimer: I'm in Texas, US and we've doing life normal since June 2021). We adjust our classes to 45 minute block schedules (the majority of our classes are 45 minutes so it's not too much of a move). We have 3 rooms: one room is my meeting room with parents and the other 2 rooms are for dancing. Most classes combine into 1 room and do a fun warmup and show off their recital dances. I go over all things recital with our families PLUS parent appreciation (hot cocoa and chocolates in a bag; those with a free gift sticker got a chance to spin the wheel to win a DbD promo item. I used this to promote our referral program where they spin the wheel for tuition discounts). I also used this to talk up summer classes and camps since registration opens tomorrow. We have fliers and postcards for all the info. We also reveal our flowers and tees that match our recital theme. QR codes are everywhere for everything 😊 Then we go into the big room where our dancers receive their costumes, get their costume info sheets (everything recital specific to their dance), take class photos, and get excited for recital! On the way out the door they pick up their tights and sign out their costume (and get to see our new treasure coin machine!). It's my touch point with every parent at the studio and one of the few weeks I am there for every single class...whew! It was such a fun week 😊👏



Captain share: It's costume time, and that means parents are shelling out big \$\$\$. Here's our magic sauce for keeping parents happy.... Parent appreciation!

1. The students color or fill in a Thank you for giving me dance classes/why I am thankful for you paper to give their parents while we do costume measurements (this happened this week)
2. We have coffee/tea/treats in the lobby all month long
3. Wednesdays are Wine Down Wednesdays socials where we have wine and beer from 7:30-9:00
4. We partner with local businesses to come in during Wine down Wednesdays to pamper our parents. This helps them make connections and promote their businesses while they spoil our parents with facials, nails, chair massages, hair and make up tips, etc.

Our drop rate used to go up during November because of costume payments. Now it is almost 0 due to costumes and finances. Parents love being spoiled. They feel appreciated. They get something from their investment. AND extra bonus- we built great partnerships with our local businesses.

[Win] I just knocked out half of the recital costume organization, all my info guides (Performance, Company, Nutcracker, Recital, Summer, and Staff) have had a refresh over the past 7 months so that they will be easily editable for the next season at our end of year planning meeting, I'm launching my "Opening Number Experience" session to continue to take enrollments through May and to open up an opportunity for current students to grab another recital routine, got the summer camps loaded and summer section of the website updated with my website consult (my sister does marketing/tech for a living), and the best part is...

I did it all with the mindset that it would be the last time I'm involved in the tiny details!

I made notes and am cleaning up where the documents are saved as I go for easier delegation and addition into a project management program in May.

I am determined to get my baseline processes mapped out well in year 2 of the IC!

Its been a long day and I had to share with people who would get it!