



The Shoe Snob

CASE STUDY



Summary



Challenge

- ✧ Funding stock to meet growing demand
- ✧ Freeing up funds to develop and experiment with new lines



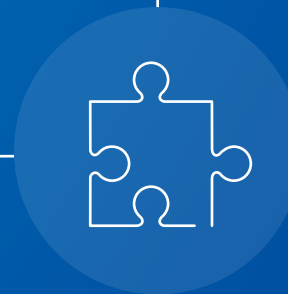
Results

- ✧ Business grows by 45% year-on-year
- ✧ Opens stores in London and New York
- ✧ A loyal and growing, international customer base



Organisation

A designer of men's elegant shoes and provider of shoe accessories.



Solution

With PayPal Working Capital, this small business funds dramatic growth, while saving time and paperwork.

The Shoe Snob

From shoe-shine to shoe line –
dramatic growth of The Shoe Snob

A discussion between two work colleagues, Justin Fitzpatrick and Ngoni Tshekeche, led to the launch of an international shoe company. Today, the business is enjoying growth of 45%, year-on-year.

The two young entrepreneurs met while working at Savile Row tailors Gieves and Hawkes. Ngoni was a made-to-measure consultant while Justin, having finished an apprenticeship with famed Florentine shoemaker Stefano Bemer, was a shoe artisan.

The pair started selling shoe polish and shoe cream in Gieves and Hawkes, and then on eBay but, as Ngoni says, “The idea was always to start a shoe line. We thought it would take us 6 months. It took us 2 years to finally launch.”

“We were talking about what we would like to do,” recalls Ngoni. “Justin talked about his passion for shoes and wanting to create his own line. I said, well, let’s go ahead and do it.”



Justin Fitzpatrick and Ngoni Tshekeche



“We’ve been using PayPal as a payment solution since Day One.”

“We just started with what we had,” the co-founder continues. “We initially put in £700 to buy the stock and then, when the shoes were ready, we came up with the required £42,000 from pre-sales, a small start-up business loan, personal and family loans, whatever we could scrounge together.”

The business took its name from Justin’s already successful blog, The Shoe Snob, and it soon migrated from eBay to its own site, **TheShoeSnob.com**.

When Justin’s line of shoes was ready, the pair created a new brand, J. Fitzpatrick, and a separate site, **JFitzpatrickFootwear.com**.

“We’ve been using PayPal as a payment solution since Day One,” Ngoni says. “I

knew the ins and outs of PayPal from eBay and we needed a solution where we could also invoice customers directly, so PayPal Invoicing was very useful for that too.”

The business grew quickly, but it soon became difficult to fund the stock necessary to sustain demand.

“When you see the number of products we have – the different models, colours and so on – and multiply that by at least 12 pairs of shoes for each, that becomes a significant investment. And, to sustain growth year-on-year, we need new models. As an online business, we are open to the world and we introduce new models to gauge what works well and what doesn’t in each market.”

“We just started with what we had.”

The solution

The Shoe Snob and J. Fitzpatrick Footwear needed available funds to order more stock and satisfy growing demand.

“Without stock, we don’t have a business,” Ngoni says simply. The company had a £25,000 business loan facility with its bank but that wasn’t enough to meet the needs of the fast-growing business.

“For the bank to give us more, they wanted security,” Ngoni explains, “and the process would be so time-consuming. I

know the amount of paperwork I’d have to prepare. I know my business and the potential that it has, but conveying that information to a bank manager is very difficult. Everyone wants proof: what can you show me that’s tangible?”

Instead, Ngoni read about PayPal Working Capital.

“With PayPal Working Capital the process is really quick. Now, I can access funds within minutes,” says Ngoni.

PayPal Working Capital provides sellers with an advance against future PayPal sales. Repayments are taken automatically as an agreed percentage of each PayPal sale. PayPal processes all online payments for The Shoe Snob and J. Fitzpatrick.

“With PayPal Working Capital the process is really quick. Now, I can access funds within minutes,” says Ngoni. “And, because PayPal understands our business – it can see our transactions and our growth – it can offer more. It’s been a godsend for us.”





The results

“The business has been growing at around 45%, year-on-year, and the funding we’ve received from PayPal Working Capital has been the backbone of that growth,” says Ngoni. “It has helped us buy the stock that we need to meet demand.”

Today, the business has customers around the world, including Europe, the Far East (Hong Kong, Singapore, South Korea and Australia) and the United States. In fact, half of export sales go to the US – a key market for J. Fitzpatrick’s uniquely stylish shoes.

“We make a very classic, English, Goodyear-welted, shoe and incorporate some Italian flair and a bit of French shaping,” Ngoni says. “It’s not as rigid as a traditional English shoe, the shape is elegant, and the colours and combinations are a bit different.”

While Ngoni and Justin have used PayPal Working Capital predominantly for stock, it has also helped develop the business’s showrooms. Their London store has had a refit and earlier in the year they opened a new showroom in New York.

“We have followed our market,” says Ngoni, “and it makes logistical sense. Now we can ship individual orders from within the US, which saves shipping costs. New York is a good hub for us, with a lot of existing clients.”

New York is just a starting point for the US. “We’re not anywhere near where we want to be,” says Ngoni, “but this is the story so far. We’re on a mission to inspire and educate people on the importance of wearing quality shoes and maintaining them.”

“PayPal Working Capital has transformed our business,” he continues. “I like the ease of use and the fact that the money’s available quickly. When you have the money, you can place an order – you’ve got the ball rolling within a day.”

“If we didn’t have PayPal Working Capital our business would be about half of what it is today, if not smaller.”

“The ease of use and the amounts offered by PayPal Working Capital can transform a small business.”



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