

# From remnants to riches

*New business converts manufacturers' leftovers into high-demand fabrics*

By AUSTIN LIGHT

CHARLOTTE — James Powell and his wife Ewa are classic small-business owners with modern sensibilities. Instead of starting with a good idea, opening a brick-and-mortar store and then expanding online, they did it backwards.

Using the low cost and accessibility of the Internet, the Powells tested their idea — selling leftover fabric from manufacturers at reduced prices — online at Modern-Fabrics.com before moving into a physical shop.

After getting exposure in national design magazine, *Ready Made*, the initial snowball of success turned in to an avalanche. Within six months of their appearance in print, they were ready to open a store in Charlotte.

"It happened so quickly. Within three days I had my business license and everything I needed in hand to open the doors," James Powell said. "It was so easy to come to Charlotte and open a business. I signed the lease on Dec. 10 and, on Jan. 5, I opened the doors and started selling fabric."

Powell's still-under-construction store, with its handmade shelves and freshly painted walls, has been open for less than a month, and customers are streaming in.

"Every day of the week, new people are discovering us," Powell said. "In terms of sales, I can't complain. We only had one market before, and that was online — all we've done is just open up another market."

## Between the folds

According to Powell, getting that second market open wasn't part of the initial plan.

"I think it is great that we established the Internet thing first. You see so many companies get online as an afterthought, when there are so many people out in the world on the Internet who can shop at any hour of the day," Powell said.

"We didn't plan it that way, though; we did it out of necessity. We just wanted to see if people would go for this fabric."

Fortunately for the Powells, consumers were going for the fabric all over the country.

"I have customers everywhere — New York, Chicago, L.A. Most of our cus-



James and Ewa Powell stand among the textiles in the recently opened physical location of Modern Fabrics, which sells specialty materials.

tomers are looking for good quality fabric for reasonable prices, and this is stuff they can't find at a chain fabric store," Powell said.

"These are all really good, high-quality fabrics, but they are usually not available to the public. Only designers and trade professionals have access to them normally."

Since he was a trade professional and designer, doing custom furniture and showroom pieces for various companies, he already had good relationships with manufacturers. It was just a matter of calling them and seeing what they were doing with their leftovers, he said.

"I have set up established partnerships with manufacturers. Some had already known me because I did work for them, so I had relationships and I knew who to talk to and how to get through the red tape," Powell said.

"This kind of fabric, they can't get rid of it. It's illegal for them to throw in a Dumpster. It's not cost effective for them to waste time dealing with it, but they don't want to see it go to waste either."

Powell started collecting textile trash and turning it into fabric treasure after

noticing the excess fabric piles during a custom furniture and design job in Charlotte. With a growing collection, he and his wife bought a warehouse near their home in Lincolnton and decided to set up the Web site to see if they could sell some of it.

"Until they start making biodegradable fabric, I don't know what else to do with all of this. I focus on modern and contemporary fabrics because I can't be everything to everybody," Powell said. "The bottom line is every day I pass up more fabric than I know what to do with. I can't save it all."

What he could save, he brought to their 8,000-square-foot warehouse where he and his wife photographed and documented each piece of fabric, from small scraps to 50-yard rolls.

After the *Ready Made* article and some marketing by his wife, who runs her own graphic-design company called Winkbox, they had more orders and fabric than they could handle on a part-time basis.

"Around May or June, it got to the point that we were looking at our orders and I realized I needed to do the fabric full-time or it was going to start to suffer," Powell said. "I said to my wife, 'I think this business has legs and I think we should go for it.'"

Originally, Powell said they were going to use the store as an excuse to move to the mountains, but due to some complications with the "business-unfriendly city" of Asheville, they decided to come to Charlotte.

"Charlotte is a super-business-friendly town," Powell said. "I'm not just talking about the government. I'm talking about

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anybody and everybody in town. People went out of their way to help us get our business open. I'm still blown away by it."

## The fabric of success

Despite opening a shop in a friendly neighborhood and under amiable circumstances, Powell said just like anyone else, Modern Fabrics is still concerned about the economy.

"We have to hunker down, too, and make sure we don't bite off more than we can chew. If we make it through this next year or so, I'm confident we can make it through any time," Powell said.

"So we just have to play it safe, don't grow too fast and don't get overexcited. It's all a learning experience."

Even with the troubled economy, Powell has plenty of reasons to be excited. Over the past year, he said they've had inquiries about turning Modern Fabrics into a franchise, with interested buyers from New York to the West Coast.

"I'll never run out of fabric, I know the supply will always be there. The question is how big do I want to get?" Powell said. "I don't want to take over the world. I kind of like having a small shop right now."

The pleasure of being in a small space isn't going to last long though. Powell's store is packed with fabrics — customers rub elbows with rolls of designer textiles in every direction. Powell said what's displayed in his store is only 5-10 percent of what is in his warehouse. He's currently expanding the back end of the Charlotte store another 1,000 square feet.

"I would love to have a shop in San Francisco," Powell said speaking of his expansion dreams. "I ship fabric to California every day of the week. It's actually cheaper for them to buy from me and have it shipped."

In the meantime, Powell said he is content with the way things are.

"It's been exciting. This is how small businesses start. I have no retail experience and I've never worked in a store," Powell said. "If you told me five years ago that this is what I'd be doing, I would have said, 'You're crazy, man.'"

Powell said their "crazy plan" has been more rewarding than he could have imagined. From spending more time with his kids to being able to do the occasional custom furniture piece on the side, he said starting a small business was worth all the bumps, bruises and growing pains.

"I just wish more people could stick their neck out and try an idea," Powell said. "Even if you don't have money, just be patient. Don't give up on your idea. We're living proof that it can work."

