



PERMANENT JEWELLERY

The Business Case Study



sunstone

The Micro Welder Experts



About the Author

With more than 12 years of micro welding experience behind him, Dave Holloway has helped jewelers all over the world resolve creative challenges with pulse arc and laser welders.

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For every business opportunity, the paramount question to ask is “Am I going to see a return on this investment?” For Pretty Little Link, a Maryland-based permanent jewelry business owned and operated by Erin Page and Renee Corrado, a mother-daughter partnership, the return on investment was paid back in seven hot, humid nights at a community fair.

“I was pleasantly surprised,” Erin says, reflecting on that first foray into the unknown. “We paid for all inventory and tools in seven nights. Now, with every fair, party, or event we work most of the dollars go straight into our pocket.”

For Erin, a 29-year-old with a degree in social media marketing, the introduction to permanent jewelry happened in 2020. “I noticed a post about ‘eternity jewelry’, which caught my interest. So, I followed the boutique and watched the trend grow. At some point, I

said ‘I’ve got to take advantage of this trend.’ I started watching YouTube videos and educating myself.”

Renee was thinking the same thing as her daughter. “At first, all I wanted was to get my own bracelet. Then, the more we looked at it, the more intrigued we became. At some point, I said, ‘We can do this!’”

With that determination, Renee and Erin dove in headfirst. “We bought the Orion mPulse welder, and together we started practicing with friends or anyone else who would let us try,” Erin recalls. “I knew a local community fair was coming up and decided to make the fair my grand opening.”

Demand at the fair was strong. “So many people had heard about permanent jewelry that once they saw what we were doing they had to have one,” Erin says. “It was a great experience.”



After nearly 10 months of being in the business, Erin estimates she can generate \$500 in one to two hours at a home party. “There’s been an enormous party outreach,” she explains. “We are booked out through the holidays. There’s tremendous interest in home parties.”

Renee agrees and adds, “Home shows wasn’t even on our radars. Now, home shows take up about 50% of our time. The other time we split between festivals and boutiques. We’ve been invited into boutiques for a couple of hours and we’ll have a line out the door!”

Break Even Analysis

All business owners want to know how soon they’ll recoup their investment, or when they’ll reach the break-even point. Calculating break even requires two numbers: The total amount of fixed costs and the contribution margin.

Fixed costs are expenses you’ll incur that are independent of how many bracelets or anklets you sell. In this case, the cost of the welder and any tools, for example, would be fixed costs.

The contribution margin is the difference between the price you sell to your customers for your bracelets or anklets and the amount you pay for your bracelets and anklets. For example, if you sell a bracelet to a customer for \$50, and the cost to you to purchase the chain for the bracelet is \$30, then the contribution margin is \$20.

To calculate your break-even point, or BEP, take your fixed costs and divide by the contribution margin.

Pretty Little Link’s fixed costs were limited to the Orion mPulse welder and some hand tools for cutting and working with fine chain. The welder has a MSRP starting at \$2,400. “After everything, our initial investment was about \$4,000,” Erin says. She and her mother purchase chain from several different sources.

“We started by purchasing from Etsy,” Renee explains. “Now, we’ve been able to create accounts with wholesalers, expanding our vendor relationships.”

The variable costs, which are mostly chain, represent roughly 30% of every dollar generated. The average price per chain for Erin is \$50. Every bracelet or anklet she welds puts \$35 in her pocket. When you do the math, the break even point is surpassed after 114 bracelets or anklets. Needless to say, Pretty Little Link surpassed the break even point not long after it got started.

Return on Investment Analysis

The general formula used to calculate Return on Investment, or ROI, is dividing the net income by the total cost of Investment.

Net income can be a subjective number. Typically, net income is what’s left over after you’ve paid all the bills, both fixed costs and variable costs, during a set period of time.

Erin and Renee prep for their first event, reaching a break even point in seven days.





The total cost of investment is the sum of all expenses during the same set period of time.

Renee and Erin split the costs evenly. “We added everything up and split it right down the middle,” Renee says. Their return on their investment will grow and grow and grow. Why? Because their total cost of investment decreases in comparison to their net income. Thus, if they measure ROI after one year of operations, the ROI will be higher than after six months of operation.

Advertising Tips

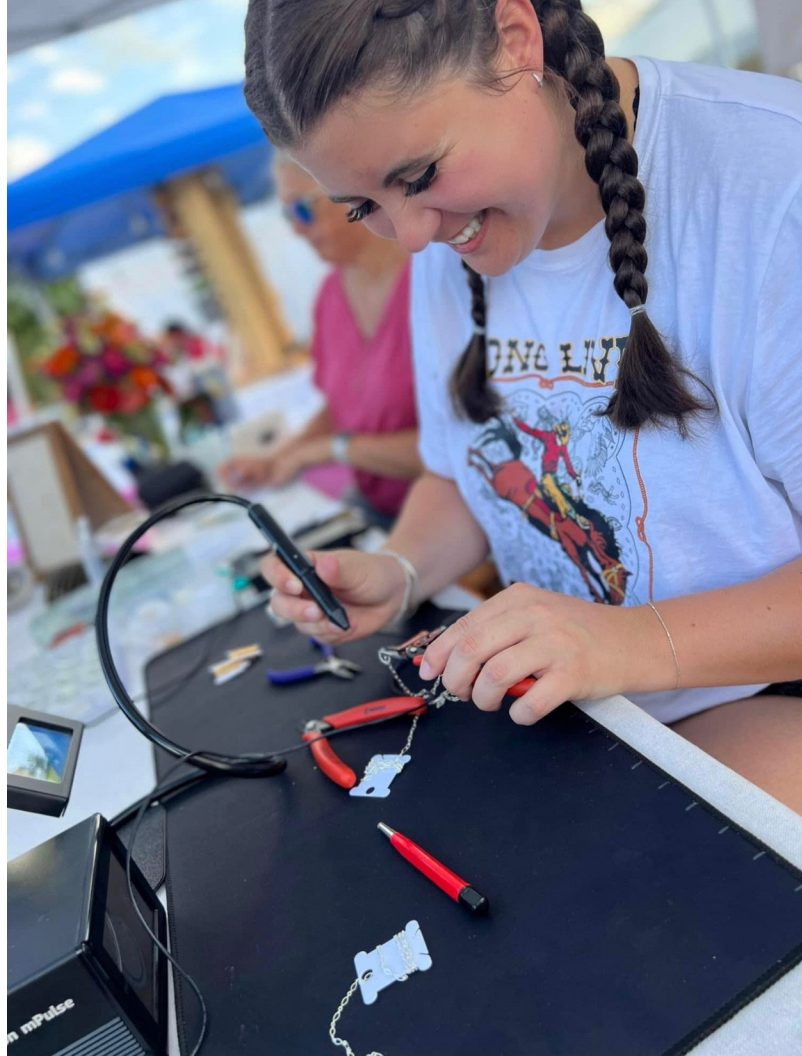
Erin, with a formal education in social media marketing, uses social media to book new home parties. “I focus on reels more than anything else,” she explains. “I use reels to educate and build awareness. But honestly, a good portion of my business comes from word of mouth.”

Every new permanent jewelry customer is prone to record the moment when they get their own bracelet or anklet, which they will share with their own social media network. Quite often friends will reply with “Where did you get that?”. Pretty Little Link’s customers then share contact information with friends.

Learning the Business

“I had concerns, initially, that I needed to resolve first,” Erin says. “When you think about welding a chain around someone’s wrist you’re thinking, ‘Am I going to hurt someone?’ So, my mom was my first weld. And she didn’t flinch or say anything. Now, after hundreds of welds, I can say you’re not going to hurt anyone.”

“Our first night at the festival earlier this year, we only had one customer,” Renee remembers. “I thought, ‘Oh, no; we’ve made a mistake.’ But, that changed the next night, which taught me that word of mouth is huge in



Erin is a self-taught permanent jewelry artist. “My mom was my first weld,” she says. Now, she’s done hundreds.

this business. It’s funny to see people’s reactions to our signage. At first they frown their brows, and then you see a light come on and they say, ‘Oh, wow! I’ve always wanted one of these, I just didn’t know where to go.’ There’s lots of demand once people understand what you’re offering.”

Erin was also concerned about working with fine chain. “The links are so small,” she says. “But my mom and I both watched what we could find on YouTube and then just figured it out. We’ve had no complaints and so far all of my customers have been happy.”

Renee adds that understanding your market is critically important. “I looked at a lot of other permanent jewelry businesses who offered 14K gold chains,” she says. “In our market, that won’t work like it may in other

places. We've actually revised our pricing to fit our market and the results have been good.

"The most important thing to really understand is chain. Yes, you need to know how to close a chain, but understanding chain styles, cost, and market demand is more important. And that surprised me. That's the most important advice I can give to anyone entering the business today."

Happy customers also become a success factor for Pretty Little Link. "Repeat customers are a big source of revenue," Erin says with a smile. "First-timers will get one bracelet, then they'll come back and get a stack, or another bracelet on the other wrist. One bracelet is sometimes not enough!"

"Couple bracelets are huge!" Renee says echoing her daughter. "It's funny to watch your typical couple come by. At first, the girlfriend says, 'We gotta get one of these.' Of course, the boyfriend has no idea what's going on. But, let's just say we see a lot of couples get matching bracelets."

Erin also shares insurance advice with other permanent jewelry artists. Erin points out that fairs and other events often require exhibitors to carry liability insurance, which can often be purchased by the event management company or venue. "Working with an insurance broker, we were able to find a policy that was cheaper and offered more benefits," she says.

How to Get Started

1. Choose Your Welder

You need a micro welder to quickly and safely close the link in a fine chain. The most prevalent welder—and the welder chosen by most permanent jewelry artists—is the Orion mPulse manufactured by Sunstone. The Orion mPulse's popularity is due to its low

entry price, ease of use, US-based customer service, and online availability.

2. Secure the Right Tools

You will need a suitable pair of chain cutters, pliers, and a special plier ground. Eye protection is also recommended for you and your customers. Sunstone offers a Permanent Jewelry Kit that includes all the tools you need to get started.

3. Master the Welder

To master the permanent jewelry business you need to master the welder. Being able to close any type of chain quickly and securely directly is key. To keep an appointment time under 15 minutes (from choosing a chain to closing a chain), and to make sure the weld is strong you should understand the science behind the weld. Sunstone offers online training opportunities and an annual conference to help you start or improve your business.

To learn more visit www.sunstonewelders.com/permanent-jewelry or feel free to call or text **801-658-0015**.