

[CONSUMER SOCIETY]

Sisters are doing it For themselves

Female artists from humble beginnings find success

Former jewelry designer Paula Naaman launched her scarf collection seven years ago with only four designs and ended up with more than 40 orders at her first trade fair.

While doing a thesis on women imprisoned for prostitution, Sarah Beydoun decided to train them to make handicrafts and offer them a way out of the Game. Thus began the popular Sarah's Bag label.

Hala Beydoun made her first batch of decorated cookies for her daughter's birthday. Her friends wanted more. She quit her teaching job and now heads Cocoa and Co, maker of bespoke cookies.

Nada Zeini, a former architect-turned jewelry and accessories designer, used her first creations to decorate her kid's Christmas tree. Her friends caught on and started wearing them as brooches under the Nounzeh brand (the first letters of her name in Arabic).

Mariana Jammal Bassatne, a communication graduate, decided after designing her second handbag that her passion for beautiful leathers would become her full-time job, while interior designer Nayla Saab-Takieddine's jewelry, originally designed for her family, was such a hit among her friends that she launched the Or La Loi collection, or The Reign of Gold, a play on French term

hors-la-loi originally meaning "outlaw."

What all these women have in common is that their business expansion was prudent, relying on minimal investment, high margins and reinvestment. Sarah Beydoun started Sarah's Bag with \$200 and the socially conscious appeal of them being made by female prisoners. "I went to my first trade fair with 12 handbags," remembers Beydoun, who launched her first collection from her brother's garage in Qasqas before moving to her current store in Gemaizeh. "My friend Maria Hibri then convinced me to attend another exhibition and my collection was completely sold out!" Today, with her partner Sarah Nahouli, she sells "hundreds" of bags each year.

Moving beyond Lebanon

Paula Naaman's business has grown by solidly ploughing back all profits into the business while Hala Beydoun's operation followed a steady growth built on her "edible art," as she likes to call it, which was so successful — her products are now available online, at one outlet, at fairs and upon direct order — that her husband quit his job as a fabric trader to work with her.

Beirut being as it is, all the women rely on word of mouth, websites, trade fairs and the press to spread the retail gospel, although many have moved beyond catering to Beirut's *jeunesse dorée* and have begun to explore foreign markets. Most have made the leap via trade fairs and are now selling directly through regional outlets. Naaman's brand, Paula K, generates 50% to 60% of its income outside Lebanon, mainly in Qatar, Kuwait and Abu Dhabi.

"Since the war, I would say that sales to international clients, made up principally of Arabs and Europeans, have gone up to 60%," says Zeini whose designs are sold in Egypt, Qatar, Saudi Arabia, Italy, Germany, Belgium, Ireland and Greece. Sarah's Bags can be found in the Emirates, KSA, Egypt, Kuwait, Qatar and Jordan with foreign sales making up 60% to 70% of the brand's total turnover. Bassatne's designs are also sold in the UAE, Saudi Ara-



Hala Beydoun



Sarah Beydoun and Sarah Nahouli

CONSUMER SOCIETY

bia, Singapore, Bangkok, Athens, London, Qatar and Kuwait, with export sales making up 80% of revenues.

With success have come the harsh realities of the international market. The women entrepreneurs all had to learn about rules and regulations, especially when it came to food stuffs. Hala Beydoun had to adjust to the UAE's stringent rules, while Bassatine faced a similar problem when she tried to export handbags made of banned exotic leathers. There is the additional concern about counterfeiting, which has made a few wary about outsourcing and recruitment. Jewelry designers like Saab-Takieddine have to contend with fluctuating gold and diamond prices, while Lebanon's unstable political situation is a burden for all.

According to figures provided to EXECUTIVE, the annual Faraya Mzar design exhibition, held every August, which included 75 participants representing different crafts, generated more than \$400,000, while total sales at the recent Amman Fair in Jordan, attended by 39 participants, amounted to \$250,000. Nayla Bassili, dubbed the "Patron Saint of Lebanese designers" and the organizer of some of the biggest design fairs in Lebanon, underscores that Lebanese exhibitions are also sought after by Arab buyers in their quest for new designers. These fairs, which constitute a meal ticket for many new designers, are open only to Lebanese who design their own items

and do not have a point of sale. This emphasis on products "Made in Lebanon" has contributed to modifying perceptions on the local and international levels as high-end customers increasingly wear locally designed items.

It is business after all

Success also means expansion and a more formal structure, not to mention the boring bits of running a business such as sales projections, accounting procedures and business plans. From the formal business model perspective, these women entrepreneurs have integrated some elements, while completely ignoring other aspects. They are heavily reliant on their core competencies, mostly introducing innovative products with a certain edge that appealed to particular market segments.

Most are still working on their structure and feel the need to calibrate work processes and organization in order to take their ventures to the next level. Others, however, feel content with an "artisan's approach" as Naaman likes to put it. Nonetheless, their distribution strategy has been clearly delineated through hand-picking distributors, mostly exclusive boutiques. They have also done wonders in terms of identifying target market — most seek medium to high end customers with a definite sense of style — and customer relations as they entertain a very personal rapport with their clients on a local level.

The financial aspect is, however, less developed. As most businesses have expanded gradually and show solid cash flows, with profits mainly re-injected into the operations, little formal thought has been given to the matter. But now, as some seek to beef up their operations, this has meant in some cases turning to financial institutions. Hala Beydoun, who is currently preparing her business plan to open her new kitchen, has approached Kafalat. She told EXECUTIVE that the government subsidized loan only covered her equipment, estimated at 25% of the total investment needed.

Elie Abou Khalil, head of retail banking at Byblos Bank, however, says that Kafalat loans go beyond equipment acquisition and perfectly correspond to the needs of this kind of entrepreneur. The particular line of credit is ideal for craftsmen and women, offering between LL 5 million to LL 600 million over seven years with a 6 to 12 months grace period and a 0% interest. Paul Chucrallah, assistant manager at Byblos Bank, believes that equity financing might present an interesting option for such businesses, although for now, the investments required were still too small for Byblos Ventures equity projects.

"Maybe they could all get together and form a syndicate?" he said.

Now there's an idea!



Nayla Saab-Takieddine



Mariam Jammal Bassatine



Nada Zeini