

BusinessWeek

# Small Biz

How to Sell  
Overseas  
Dodging  
Insurance Scams

THE RESOURCE FOR ENTREPRENEURS

SUMMER 2004

SMALLBIZ.BUSINESSWEEK.COM

**PREMIERE  
ISSUE**

So their companies  
hit a wall. Lessons  
from entrepreneurs  
who refuse to give up.

# ROUND TWO

Varsha Rao's Zoelle  
stands apart with its  
exclusive jewelry designs

FIRST STD  
US Postage  
PAID  
Strasburg, VA  
Permit No. 12





RAHMÉ: Different fragrances for different neighborhoods

WHO'S HOT

## Uncommon Scents

LAURICE RAHMÉ'S NYC PARFUMERIE BY JULIA COSGROVE

**PERFUMER LAURICE RAHMÉ** has a new muse—a metro-muse, to be exact. “My designer is New York City,” says the 30-year beauty industry veteran and founder of Bond No. 9 New York, a luxury perfumery. The Big Apple has served Rahmé well: A year after its launch, Bond has \$3 million in annual sales, its Manhattan retail stores are thriving, and it has an exclusive distribution deal with Saks Fifth Avenue.

Rahmé, who was born and raised in Paris but has called New York home for 25 years, named her line of 22 perfumes for some of the city’s iconic neighborhoods. They include Chelsea Flowers (think peonies, tulips, and roses), Madison Soirée (sultry, with a jasmine and gardenia base), and New Harlem (a rich blend of cedarwood, bergamot, and patchouli). Bond is equally targeted in its pricing: The perfumes cost \$198 for 3.3 ounces.

The mistakes of the big perfume companies—in some cases, Rahmé’s ex-employers—helped convince her

she could succeed on her own. While working at Creed, she’d been dismayed by the glut of perfume that found its way to the gray market. The fragrance was intended for overseas retailers, but instead wholesalers dumped it in the U.S. Now Rahmé sells only to retailers, refusing to deal with wholesalers. She despises focus groups and won’t use models in advertisements. “I have strong opinions, and I want to do as I please,” she says. “If you’re in business for yourself, you can follow your instinct.”

Bond has yet to turn a profit, but Rahmé is hardly in the hole. She started Bond with \$250,000, raised partly by selling shares in previous employers. She expects to break even next year, is hoping for growth of 50% per year

after that, and, at the five-year mark, is looking for net profit margins of 14%.

So far, Bond has five employees in its downtown headquarters and 20 in the field. These include blenders from Grasse, in the South of France, where the flowers used to make essential oils have been grown for generations.

### CUSTOMER SAVVY

Rahmé is long on experience, too. Once a Paris antiques dealer, she was soon making her mark at L’Oréal. There she became an international training director, launching Lancôme products in 22 countries. Today, Rahmé is on the board of the Fragrance Founda-

tion. Her peers recently nominated two Bond perfumes—Chelsea Flowers and West Broadway—for prestigious awards.

Rahmé is as savvy about her customers as she is about her product. Her elegant Manhattan stores feature huge glass amphoras filled with perfume, tea bars (once you’ve picked a perfume for your outside, “you can perfume your inside,” she says), and libraries so customers can sip and read. She employs a driver to squire clients around town in a 1962 Austin London taxi customized with a “perfume bar”—shelves stocked with scents for passengers to try.

What’s next for this olfactory entrepreneur? She’s taking her brand international this fall, to Britain, Germany, and Italy. She may expand her line to include up to 50 neighborhoods in some of the metropolis’ outer boroughs. As for other cities, Rahmé says: “Even though we’ve been asked, mostly by the Californians, we still have too much to do in New York.” Spoken like a loyal New Yorker. **ED**

### AT A GLANCE

**WHO:** Laurice Rahmé, founder and president

**AGE:** 53

**COMPANY:** Bond No. 9 New York

**PRODUCT:** Luxury perfumes named for New York neighborhoods

**THE BUZZ:** Bond racked up \$3 million in sales the first year, and Saks Fifth Avenue came knocking on Rahmé’s door for an exclusive deal