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Laurence Weinstein
Sacred Heart University

David Gooding
Juliska, Inc.

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Juliska: Filling a Niche with Imports

David Gooding, CEO
Juliska, Inc.

David and Capucine Gooding are completing their third year in business, directing the growing activities of their import business located in Stamford, Connecticut. Their niche is marketing hand-blown glass which is historically accurate and inspired by such disparate designs as 14th-century French, 16th-century Dutch, and 19th-century Venetian glassware. We interviewed David on a “quiet” day when the phones didn’t seem to be ringing constantly.

NEJE: Starting an import business from “scratch” requires a remarkable energy level. What prepared you for this work?

Gooding: I grew up near London with a father who had a thriving import business bringing in high-end tableware from the European continent. He sold these goods to British retailers who could appreciate the quality of the imports and find the right audience for them. I worked my way up in the company starting from the warehouse and ending up selling my family’s product line to the finest upscale clients we had at the time.

NEJE: Why not stay in England and build on that success?

Gooding: I could have, I suppose, but becoming an entrepreneur in America intrigued me. I decided to attend college in the States to learn more about life in the United States. I’d been inspired by the “sky’s-the-limit” thinking here—compared to Europe where the business culture is less daring, the taxes are considerably higher, and the chance to become wealthy is much more difficult.

NEJE: So your story began once you graduated college?

Gooding: In a way, yes. I graduated from Hobart College in 1993. That experience gave me plenty of things to say at cocktail parties, but it didn’t have any specific application to my future life as an entrepreneur. I got a position with MacKenzie - Childs, a high-end tableware company located in the States, and stayed with them for one year traveling around the country making connections with buyers from such stores as Neiman-Marcus and Bergdorf Goodman. This was important because it would later lay the foundation for me to go to these same stores and sell them my own line of goods.

NEJE: Is that when you went on your own?

Gooding: I quit MacKenzie and felt at age 24 that I needed to venture out on my own. Call it hubris, but coming from an entrepreneurial family, I felt I was ready.

NEJE: Were you?

Gooding: Yes and no. Yes, because I was able to pick up several European tableware lines as their commissioned sales representative in the United States after attending trade fairs in Paris, London and Italy. I asked for, and received, exclusive rights to represent these companies for five years. Imagine, at age 24, with little personal business experience of my own, talking to executives from corporations and individual artisans throughout Europe and convincing them to trust me!

I am absolutely at heart a salesperson through and through. The thrill of the hunt, so to speak, drives me constantly. I won’t take “no” for an answer so at a tender age, there I was representing these upscale manufacturers to U.S. retailers.

NEJE: However, getting to the “no” part of your “yes and no” answer means?

Gooding: Every retailer I went to loved the goods I had to offer. They gave me substantial orders and I believed I was on my way. However, the tough part came when the retailers attempted to turn around and sell this merchandise to the end customer. The prices the retailers sought were so high that buyers balked. The inventory sat, and while it sat, I couldn’t sell in more product. I spent five years under the banner of “Penshurst Trading” trying as hard as I could to work with these retailers and increase their product turnover, but to no avail.

Those five years, though, gave me a great opportunity to really learn the American market. I have traveled to every major retail city in the States, as well to outlying suburbs, and got to know hundreds of key retail buyers. Importantly, I also got to learn what the American consumer was looking for; what they’ll buy and what they won’t. That knowledge proved to be invaluable.

NEJE: You were close to 30 years old at that point, treading water and...?

Gooding: I needed to find a product line where the perceived value was better, the prices certainly lower, and the

product story stronger in order to succeed in the United States.

Capucine had the good fortune of working a Paris trade fair in 2000. She had been employed by Martha Stewart with one of her enterprises called the Wedding List. My wife has a keen fashion eye and came across a booth where a husband and wife team, the Bollens, were representing a cooperative of Czech glass blowers who all lived near Prague. They had only 40 pieces to show, but the product was dazzling. Capucine was blown away, as it were, by the merchandise.

I happened to be with Capucine in Paris during the trade fair and we immediately began negotiations with Juliska Bollen about taking over their sales in the United States. At the time, they were only generating revenue of roughly \$100,000 annually in America among just 10 retailers, but they were content with that. They believed the market was saturated. We saw much more potential and offered them \$100,000 for the right to deal directly with the glass blowers, design our own collections, and sell exclusively in the U.S. market.

NEJE: What happened next?

Gooding: I went to Prague and had to convince these Old World, very talented people that I was a long-term player who was going to build a large and reliable source of orders for them. I had convinced the Bollens, but selling myself to the glass blowers was a whole different experience. I said that, under my sales leadership and with my wife designing goods for the American marketplace, we could expand their product line from 40 items to 400 within three years.

And we've done it.

NEJE: It's one thing to have a vision and promise to deliver, quite another to accomplish what you set out to do.

Gooding: Tell me about it. Life over the past three years has been incredibly hectic, but it has also been incredibly fulfilling. The most important decision we had to make was our market positioning with the glassware. We decided to name the product line after Mrs. Bollen because her first name, Juliska, was elegant sounding and we wanted to honor her for initially finding the Czech artisans and culling their product line for the Paris show.

Each piece is signed with the Juliska brand name and we sell only to premium-priced retailers like Neiman-Marcus. We absolutely will not sell to anyone, such as Macy's or Bloomingdale's, who are known to discount their product prices. Our positioning is clear: The product is truly unusual, fills a consumer need, and is priced a bit below existing competitive products to give Juliska an edge in terms of per-

ceived price/value benefit. We strive and strive for quality. We currently destroy 40 percent of what the Czech cooperative sends us because we believe it isn't up to our standards. We expect that figure to decrease substantially over the years as the glass blowers and we get used to doing business together. But we absolutely will not ship any product that does not pass our strict quality-control oversight.

NEJE: What are your end-consumer demographics?

Gooding: Young brides, certainly, but we like to think we also appeal to practical people with great taste. These are more creative buyers, usually women, who are looking for something different, something new. They love antiques and want things in their homes that have a certain Old World, European charm to them. Age as a demographic seems to be irrelevant; it is the taste level that creates a commonality among our retailers' customers. They're not looking for something precious; they're looking for beauty and functionality at the same time.

Our slogan for Juliska is, "Quite possibly the most beautiful glass in the world." I got the inspiration for that tag line from seeing Carlsberg Beer commercials. The brewery boasted it offered "quite possibly the best lager in the world." Well, if they could do that for beer, we could do it for glass! When prospective buyers see our goods at retail, they anticipate finding a price point comparable to say, Waterford Crystal. We surprise them by using a penetration price level of roughly 30 percent less than competitive product. That closes the sale—beauty and function at a very fair price.

NEJE: Looking over your product catalog, the effort to establish Juliska in the United States that you and your wife have accomplished is certainly impressive, but it must be exhausting and anxiety-producing. Your capital is constantly at risk and there is no guarantee you'll ultimately be successful.

Gooding: Can't argue with you on that score, but let's look at it from our point of view. There are nearly 300 million people living in the United States. Discretionary income is huge. I came to this country with the aspiration to be a success and we've found a great niche to sell in. I have no family money in this business, but I do have a great relationship with several local banks.

We've increased our revenues by almost 2500 percent in three years. By the end of this calendar year, I estimate our receipts will be more than \$2.2 million, and we've just received our first substantial order from Neiman-Marcus. Next year, for 2005, I hope to ship more than \$3 million in product. We are carried in 600 to 700 stores across the country, with 90 percent of that total, small independent stores where the proprietor's name is on the front of the door. These owners take great pride in what they sell and their

image is tied in with every item that goes out the door. That's what makes our company's emphasis on quality and strictly holding the line on price so vital to continuing to do business with them.

I can anticipate your next question, so I'll answer it for you. Have we shown a decent profit yet? No. When you cut your margins to the bone, profit generation is put off until you achieve a certain momentum in the marketplace. We intend to reach that level soon.

Do we still borrow from friends and use our business lines with the banks to support our rapid growth curve? Yes.

My personal goal is to either have sales of \$10 million annually by the year 2010 or else get bought out by someone for \$10 million by then. I want to live the good life, and either way, in another five years or so I expect to have earned it.

NEJE: *During our discussion today, you've never mentioned something very dear to the hearts of marketers—the use of market research to confirm their observations about what customers want. How come?*

Gooding: I didn't need to underwrite market research. With our funds so stretched as it was, my wife and I, with design help from one of our employees, Elaine McCleary, have taken care of every significant decision and detail the business has required. We have used an outside photographer for our product shots, but other than that, we have designed everything, done all the traveling to the Czech Republic, arranged all the importing, created our own advertising and placed the media buys. We look for publicity constantly and send out our own publicity pieces every day to the top magazines in the field including *Food & Wine*, *Metro Home*, *El Décor*, *House Beautiful* and *Town & Country*. We constantly get asked for product samples to include in their content articles and all we ask for is product credits. The magazine editors love our product line and we get orders based on retailers seeing our goods in the magazines.

NEJE: *How long can you keep up this pace?*

Gooding: As long as I need to. I don't like to be told by anyone that I can't do something. I don't need or yearn for anyone else's approval, nor do I need a pat on the back. What I do need is to build something concrete, something I can look back and say with pride, that I built that business. I'm driven to create and invent every day. I love the buzz of orders coming in and I enjoy working in this industry. Working with creative people like my wife, and with Elaine, working with creative retailers to build their businesses and others, this isn't work—it's fun.

I also want to make a lot of money.

NEJE: *How do you cope with the anxiety of running a growing, dynamic business?*

Gooding: I don't think of the issues that arise at work as ways to generate some internal type of worry or anxiety. I see everything that happens as an opportunity. Selling is in my blood so I sell like crazy. There's always a way to get to "yes" and to have people see dealing with Juliska as a "win-win" situation. If I were still in Europe, there'd be too many factors out of my control. The government, local and European Union laws, taxes, business restrictions—I'd go out of my mind. In the United States, there is so much more potential for businesspeople who care and are thoughtful in how they approach their business. The problem is, people don't care enough to spend the time and effort to make their businesses succeed.

The other thing that's quite important to me is integrity. We honor all of our commitments. We have solid relationships with our retail accounts and they appreciate how hard we work on providing the best customer service we can. We've just added our sixth employee, Anne, whose job it is to keep in touch with our 50 commissioned sales representatives in the field as well as our retail accounts.

I'm learning to delegate some of my work, but the one thing I won't delegate is any part of the sales contacts we need to keep up. Sales represent our revenue stream and no entrepreneur who wishes to be successful should ever delegate that work even if you have a sales manager. You can spend a day a week strategizing, but the other four days the owner must be totally involved in the business. Relationships are fragile and that's why I will always be the one making sure our retail relationships stay strong.

NEJE: *Do you anticipate any threats to your strong growth curve?*

Gooding: I suppose at some point we can expect to see knock-offs of our product line entering the distribution chain, but I can't see another company matching our quality at the price points we have established.

We might need a full-time CFO at some point to guide our financials. If we don't select someone very good, I imagine our bottom line could be affected. That is something we need to think about within the next year.

It's also hard to put a lid on expenses when business is growing so fast. I try hard to do that, but it isn't always easy.

There's also no model for success that I can pull off the shelf and use as a guide everyday. Something new comes up and I have to use my existing skill set to solve the problem and create a new opportunity for us. I've just joined a group of entrepreneurs who meet once a month to bounce ideas off one another. I sure wish I had found this group earlier; I could have avoided some costly mistakes. It's not exactly lonely at the top, but it sure can be frustrating not to have someone to listen to your ideas and give you feedback about whether it

makes sense or not. Having a sounding board is invaluable.

NEJE: *What if you ever got sick? Do you have any contingency plans in place for such an emergency?*

Gooding: I don't plan on getting sick. With such a small staff, we don't have the luxury of fielding a contingency plan, at least not for the moment.

NEJE: *What are some words to describe who you are?*

Gooding: I would say driven, ambitious, passionate, enthusi-

astic, impulsive, honest, risk-taker, an outside-the-box thinker, someone who enjoys empowering others and watching them succeed, and enthusiastic. I don't want to spend my time thinking or dwelling on the downside. I get real enjoyment out of putting together a creative team and watching them come up with great solutions. I'm a leader, but I certainly don't need to get all the credit for being successful. Success is a team effort.

—L.W.