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THE VISION THING

She Built A Successful Trade In Exotic Jewelry. But When Business Began To Fade, Her Energy Did To.

BUSINESS MAKE-OVER

*Southern California Companies
Learning How To Succeed*

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TIMES STAFF WRITER

During her first six years as an entrepreneur, Alicia Bleier grimaced whenever weekends and holidays interrupted her passionate quest to turn her vision into reality.

"I couldn't wait to make that next telephone call or write that next letter," said Bleier, whose downtown Los Angeles-based company distributes exotic jewelry to upscale shops nationwide. "I lived for work and really didn't even want to take vacations."

But the 38-year-old businesswoman's intensity began to fade early this year after the Alicia Bleier Collection's main line of imported jewelry suddenly stalled.

As she pondered the daunting task of revitalizing sales, Bleier uncharacteristically found herself savoring weekends away from her stylish showroom.

Faced with a growing list of things that needed to be done, Bleier began prioritizing. She knew she needed more time to court new customers, particularly department stores like Neiman Marcus. And she had to spend more time communicating with designers, including important artisans in Israel, who craft her company's products.

But there were also time-consuming but necessary trade shows where she could strike up relationships with potential customers. And she needed to spend more time schmoozing with editors at major fashion magazines, people with the power to make or break jewelry lines.

There were also the myriad details associated with hiring and

supervising employees, working with a part-time accountant and running the small office and showroom on the 11th floor of the New Mart Building in Los Angeles' fashion district. What Bleier realized was that the Alicia Bleier Collection needed a whole collection of Alicia Bleiers capable of

hunker down and scramble to keep their companies moving forward, Russo said, Bleier has not stepped back and reformulated her vision. He urged her to establish a new vision of where her company will be in five years. The absence of that, he maintains, is hurting Bleier because she lacks the fire needed to

cobbled together a list of 1,700 current and past customers. The collection wholesales hand-crafted rings, bracelets, necklaces and accessories to about 200 small retail shops, which sell them for \$70 to \$7,000. Overall sales rose by 12% to \$1.4 million in 1997, but dropped early this year when the main line crafted by an Israeli design team stalled.

Bleier's firm has been successful largely because of exotic jewelry from the two Israeli designers, who distribute their Ilan-Oded line in the U.S. exclusively through the Alicia Bleier Collection. But demand for the line, which accounts for half of Bleier's sales, plummeted in January, with orders falling by about half. The unexpected drop underscored the need, Bleier said, to sit down and begin contemplating a new strategy.

During soul-searching sessions earlier this year, Bleier tried to identify new markets—like museum stores, boutiques and catalogs—where she could try to revive her company's overall sales.

She contemplated whether it made more sense to market the overall Alicia Bleier Collection as a brand or instead emphasize the designers, which also include Elizabeth Lindsay of New Jersey and Konstantino Treasures in Greece.

SALES FORCE

Bleier began to give serious thought to adding a fourth salesperson. But rather than paying for an experienced person, Bleier figured she'd go with a newcomer who could be more easily shaped into her own image.

After studying Bleier's books and questioning her about where she wants to take the collection, Russo proposed a decidedly different strategy.

For starters, he poured cold

MEET THE CONSULTANT

MICHAEL RUSSO, a certified public accountant and business consultant, is the creator of the **Extraordinary Results**™ Business Transformation program. He founded **Michael Russo & Company** in Los Angeles in 1984.

keeping the business afloat.

But when Bleier sat down recently with small-business consultant Michael Russo, she began to realize that the odds of finding a cadre of Alicia-think-alikes were next to zero.

LEADERSHIP

Russo advised Bleier to forget about recruiting an army of clones and instead build upon her entrepreneurial skills by learning how to become a leader.

"Leadership means empowering people," Russo said. "And, for an entrepreneur like Alicia, who's done such a fabulous job of building this company, the hardest thing to do is empower others."

Having poured their hearts, souls and savings accounts into their businesses, Russo said, entrepreneurs are loath to turn power over to "people who by definition aren't going to do the job as fast, quick or good as the founder."

"Entrepreneurs are, by definition, 'doers,' but if they keep it up, they're going to burn themselves out," Russo said.

"Out of nothing, Alicia took an idea and turned it into this fabulous business," he said. "But now it's time to redefine that vision."

Like most entrepreneurs who

spark passion in her employees—particularly the salespeople who can build revenue.

"The collection is at a ceiling that Alicia can't seem to move above," Russo said. "She's kind of lost the vision that served her so well early in the company's life. . . . It needs to be updated."

Bleier, who senses that she's being burned out by the constant pressure, acknowledges that the collection is merely "treading water. . . . We're at a plateau from a sales vantage point."

But Russo suspects that it's more a case of being bored than burned out. And he credits Bleier with taking an important first step toward growth.

"Her willingness to say that she's 'treading water' is profound because she's saying that she doesn't want to knock her head against the wall anymore."

From his perspective, Russo sees a relatively healthy business with several hidden assets. He describes Bleier's distribution system as "the real jewel" of the company that Bleier launched in 1991 with little more than a vision of a jewelry line that would make exotic and ethnic jewelry available to upscale customers.

With a keen instinct for what customers like to wear, Bleier has

water on her plan to save money by hiring a rookie salesperson. "You get a kid out of college at age 20, you'll spend all your time being their psychologist," Russo said. "That's not what Alicia needs to be doing."

Russo instead urged Bleier to hire a professional--and use an incentive pay package to goad the newcomer to dramatically increase the collection's revenue.

When Bleier countered that she couldn't afford a pro, Russo said she couldn't afford not to. The company needs to grow, Russo said, and it's up to Bleier to structure a pay package that will keep a top salesperson motivated--as well as drive sales the company desperately needs.

ACCOUNTING SYSTEMS

Russo also advised Bleier to retool her accounting system. Like most small-business owners, Bleier has been content with traditional accounting reports that tell her where she's been.

"She's asking what did I produce last year instead of what do I want to produce next year and the year after," Russo said.

Russo suggested that Bleier consider tapping two lines of credit that, while available, haven't been put into play. And he got her thinking about using the company's receivables and inventories as collateral for loans.

"She can raise \$50,000 to \$150,000 and start investing in tomorrow," Russo said. "She's got these [tools] available, but she's never used them."

While Bleier said she isn't comfortable competing with hundreds of other distributors on price, Russo advised her to broaden her line to incorporate cheaper jewelry. And he wants her to include more accessories, like the

shawls she carried earlier this year.

The cheaper goods and the broader selection, Russo said, will give salespeople more to offer customers. As for her concerns about competing on price?

"Get your ego out of it," Russo said. "Listen to the ultimate customer in the store. Give them the options they want. Remember, Tiffany doesn't care if it sells you a \$250,000 brooch or a \$15,000 brooch. They want the sale."

Rather than shining the spotlight on the designers--as Bleier was considering, Russo offered a different strategy.

"It's critical that she brand the Alicia Bleier Collection. She's selling a universe of goods that she's brought together. But it's also something else--not just jewelry, but a sense, a feeling, an attachment. And that's what the Alicia Bleier Collection means."

By Russo's reckoning, Bleier has three strategies to choose from. Two of them--failing to change her goals or simply mimicking competitors--are dead ends. The third route will be painful, Russo said, but is most likely to put the company's revenue back on track.

It's what George Bush would call the "vision thing."

"You find the North Star, that thing you're going after," Russo said. "And then you empower others to cause that vision to be reached. You cause things to change and you prosper."

As for Bleier's worries that she's burning out, Russo counters that she's merely bored.

"A business plan has to be a living, breathing document that's always changing," Russo said.

"Alicia is sticking with a vision from the past, and that's causing her pain right now. She's simply at 'disease' with the business because she's not satisfied with where it's going."

This Week's Company Make-Over

- **Name:** Alicia Bleier Collection
- **Headquarters:** Los Angeles
- **Type of business:** Jewelry and accessories distributor
- **Status:** Private Corporation
- **Owner:** Alicia Bleier
- **Founded:** Oct. 6, 1991
- **Start-up financing:** Personal Savings
- **1997 sales:** \$1.4 million
- **Employees:** 3
- **Customers/clients:** Small jewelry shops around the country

Main Business Problem

Growth stalled early in 1998 after several years of healthy gains.

Goal

Increase sales and free up the owner to concentrate on finding new product lines to sell. Create additional value for the eventual day when the business is sold. Right now, the owner is, in effect, the business.

Recommendations

- Hire an experienced salesperson rather than a beginner and structure compensation to prompt dramatically increased sales.
- Get the owner out of the office to work more closely with designers, a move that will increase the amount of product that salespeople have to sell.
- Find a mentor who can act as a sounding board for business ideas as the firm explores new avenues.
- Examine the possibility of utilizing available lines of credit and looking at using receivables and inventory as collateral.
- Emphasize the Alicia Bleier Collection brand rather than marketing the individual lines crafted by designers in Israel, New Jersey and Greece.
- Expand the collection by adding more accessories and broaden the line's appeal by adding cheaper merchandise for customers who can't afford the higher-priced bracelets, etc.

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