

«Marcel Robert»: How a married couple provides iPphone cases to Apple re:Store and Aeroflot Skyshop



Herve Le Devehat and Arina Slabko started the production of iPhone leather cases. With the help of chain stores, their business has been given star billing. Now they hope to conclude some more contracts with major companies

The French-Russian married couple Herve Le Devehat and Arina Slabko started the production of straps for expensive watches in Moscow and when the number of clients started increasing, they went in for producing cases for iPhone. They counted on a financially reliable public: all cases are produced using their own technology and natural leather.

Their retail pricing starts from 5000 rubles. When they started to sell their products at re:Store and on board of Aeroflot flights, the monthly turnover of the company was 2.5 million rubles

SPHERE OF ACTIVITY:

Production and selling of cases for iPhone

START DATE: 2009

START BUDGET: 1 mln rubles

SITE: <u>marcel-robert.ru</u>

Arina Slabko

Co-founder of the Marcel Robert Workshop

What it started from

ARINA SLABKO:

I have worked for a long time at the TNT channel as a producer, an author and a director of documentaries. The work was fascinating but I have decided to change my field of activity and to help my husband promote his own business.

Our story started sixteen years ago when I went to Paris and my friends introduced me to Herve. I didn't speak French then but Herve understood me in some miraculous way. Everything went smoothly and on the fourteenth of February Herve came to Russia for the first time. Outside, it was minus twenty-five degrees here. Russian frost didn't stop him, we got married, and our eldest daughter Julie was born, and we decided to move from France to Russia. My husband easily agreed with this new life.

We came to Moscow, we bought a Lada 'Niva' car (Herve always wanted a Russian jeep), and I continued on with my career on TV. He got a job in a Swiss company selling luxury watches. There, he created a repair center for expensive watches, organized the delivery of thousands of small spare parts and was responsible for the client service department for the entire CIS

The Marcel Robert Workshop

Very fast, Hervé has noticed that a lot of clients come to the watch boutiques and complained about the lack of watch straps; they have to be replaced from time to time even if the watch is very expensive. In Moscow that was a problem without solution – you had to wait for those straps for half a year when clients wanted to get them immediately

These kinds of goods were impossible to import quickly to Russia. If you legally bring for example straps made of alligator leather, that's under a special law and you need to have a ream of approval documents. Due to this there was an awkward situation on the market. Imagine that you have shoes but no shoelaces or a car with no wheels. The same issue emerged for the watches

Then Herve founded his workshop "Marcel Robert" for the local production of customized watch straps. He invested around one million rubles into it. I also invested my salary into my husband's business and for some time we were earning nothing. We started to become remunerated in a year – the production was really expensive, we invested the money all the time in leather, materials and equipment (one knife for leather cut can cost up to 1000 Euros and for every type of strap there's a special model of knife needed). We started out with an average monthly turnover of 20,000 rubles and now it has reached 2.5 mln rubles



Concerning the development of the leather business in Russia, there is no shortage of clients. We won clients at once, whereas machines, leather and tools, these have been the limiting factors. And so, we launched a simple site and the orders racked up almost instantaneously. It seems that people just googled "watch straps" and found us. On the top of that, the local watch retailer that Hervé used to work with before became a client also. For perspective, note that every client and every sale is significant, when an average alligator watch strap is 10000-15000 rubles

From one angle the Russian market looked inexhaustible: quite a number of people wear and collect expensive watches. However, the pessimists and the realists will remind you that a person need only change their strap once every two or three years, and sometimes even more seldom. The day came when we realized that the business had reached stagnation. Having started with a couple of orders a month, we grew to 100

orders a month, but then we remained stuck at this mark and we were not able to push it any higher. We started to rethink, and to look for an impulse.

Case Design

My smiling husband one day proffered me the new iPhone (at the time, iPhone 5) and I began the search for the perfect case. I returned from my search empty-handed: there was nothing at the city shops that could satisfy - I wanted my case to be beautiful, convenient, and to have a high-status look and feel.

Hervé and I decided to produce such a case. Around this time we were acquainted with Aleksey Noniashvili, the founder of the company "The Factory of Perfect Products" where young scientists come together to turn ideas into top products. There we were helped with defining the customer qualities I wanted to have in the new product and we worked out all the details, and of utmost importance we worked to find that element that made this case an absolutely unique product.

We applied all Hervé's know-how: for example, he has his own technique of bending the borders on thin leather instead of cutting it. In the end we created a case with a thin flexible cover of leather and the cover on the inside made of microfiber, which helps remove fingersmudges from the screen. We also sewed into the cover an ultra-fine magnet that fixes it during conversation. The first sample cost 3000 rubles. It very nearly didn't sell but we increased prospects with the help of a 20-second video telling about advantages of our product.



New Partners

We had a twist in the tale when we got a call from the official Apple premium reseller <u>re:Store</u> – they have found us by themselves. They asked us to bring samples of cases made of alligator, ostrich, snake and calf leather, and soon they ordered 400 units.

Before, we produced three cases per week and here we were, seeing 400 pieces at a time... We had to reorganize our production, we started to hire staff in an urgent manner and we had to speed up the processes, processing the leather as 'smartly' as possible, yet we are not able to 'mechanize' our business – the leather is processed manually.

At that moment we started to increase prices as the dynamic of working with chain stores is somewhat different. Case in point (pun, slightly intended), a calf leather case costs 5000 rubles.

Soon we settled into a smooth production status and started to expand further. We approached Aeroflot, through its *Aeromar* servicing supplier, with the idea of selling our products on board their flights. At first, the company received the idea of selling iPhone cases with a fair measure of skepticism, but after a short test period, the success was there, and our leather cases became one of their top five best sellers. Thus, we closed a sizeable contract and placed 1800 pieces in one order. For their production we took out a small loan. In May 2014, our cases were on each and every domestic and international flight. At present we are in negotiations to expand to other airlines also.

The Team

We have our own workshop. In terms of our product we teach our artisans from scratch and lead them smoothly to the result we would like to see. We are not exclusionary but it is nevertheless the case that we have hired only ladies, as the work is done to very fine detail and the following things are very important to our work: cleanliness, accuracy, and neatness.

In the beginning, three people worked with straps – one girl can make in the region of two straps per day – and the workshop occupied around 40 square meters. Now the workshop occupies 120 square meters and the staff comprises 15 people, and we continue to plan expansion.

Our Plans

We have a wealth of ideas for further development. In the first place we are working to expand our product range. Re:Store has for a long time been eager for iPad covers and laptop cases.

Regarding a further strand of the business, we are busy now with European patenting and we are keen to launch sales further westward, deeper into Europe. We are even contemplating expanding our production to include French locations. And here in Russia we are looking to hire a person who will actively control the production process in order to free up the hands of the Hervé and I to focus on the boosting of our brand and the design of future products.