

# MY BUSINESS

NEWS, VIEWS &amp; TOOLS FOR SMALL BUSINESS



## Perfect Match

**THERE'S AN UPSIDE TO RECESSIONS.** Just ask Jonah Staw, CEO and cofounder of Little Miss Matched ([www.littlemissmatched.com](http://www.littlemissmatched.com)), who took advantage of New York City's plummeting real-estate market and snagged temporary leases on two prime retail store locations for last year's holiday shopping season.

"There's a tremendous amount of space available today for small business owners who are in the position to take advantage of significant opportunities," Staw says. "That perfect spot on Main Street that was never available—Now it is. The place where rents

were historically stratospheric—Now there's a rollback."

National brands like Target and Delta Air Lines have experimented with pop-up stores—retail storefronts that look like regular shops but are open for only a few months—to float new products and designs with consumers before adopting them on a large scale. When real-estate prices were booming, landlords weren't as interested in short-term leases, and big companies were the only ones that could negotiate such tight terms. But as the economy has slowed and buildings have

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## RECESSION RISK MAKING BOLD MOVES IN A TIGHT ECONOMY

**W**hat kind of entrepreneur opens up two temporary stores during this economy? A smart one, says Jonah Staw, CEO and cofounder of Little Miss Matched. While some business owners were struggling to keep their doors open late last year, Staw negotiated leases in expensive New York City shopping districts during the 2008 holiday shopping season.

After reading somewhere that 58,000 retail stores will be out of business within the next year, he saw opportunity instead of gloom. "It doesn't mean that you don't have a viable retail store," he says. "It just means that you have to be that much smarter. You can't just think you're going to be one of the lucky, chosen few."

Staw showed his smarts by implementing a massive marketing campaign that included opening two pop-up shops in order to "get tons of eyeballs and tons of shoppers," he says.

While it was lots of work and a big risk, Staw says it was the right move. "My attitude toward business is that you have to really take risks and do exciting things as opposed to just sitting there," he says. "You don't grow a business by cutting costs. If you have a concept that's totally unique and different, you have a fighting chance."

emptied, savvy small business owners are scoring prominent locations themselves.

Staw's plan for Little Miss Matched was to "take New York by storm" during last year's holiday shopping season, he says. His goal: To market his products—unmatching but coordinating girls' socks sold in packs of three—to as many consumers as possible in two months. What he didn't

count on was the profit that the two pop-up stores generated.

"Our biggest surprise was that we actually made money," Staw says. "We went into these uncompromised addresses with the plan to break even, on the assumption that we'd see residual business flow from the exposure later on." But sales at the stores were so strong that the company extended its temporary leases by two months.

Though Little Miss Matched products had been sold at places like Macy's and FAO Schwartz, the company had never had its own brick-and-mortar store. In addition to increased revenue, the temporary storefronts revealed vital information Staw couldn't get through online and wholesale transactions.

"We learned how customers flowed through the stores, what sold and what

# 28%

**OF SMALL BUSINESS OWNERS SAY RENT IS ONE OF THEIR TOP FIVE BUSINESS EXPENSES.**

—NFIB Research Foundation

didn't," he says. "In the wholesale industry, you can assume you're successful without really knowing it. This gave us real intelligence on product success and failure."

Hiring staff was the biggest challenge to setting up shop quickly. The company hired and trained 50 people in three weeks. Staw and his regular staff of 80 employees pitched in as well, all working shifts at the stores throughout the four months they were open.

Following the success of the pop-up stores, Staw plans to open a free-standing, long-term Little Miss Matched store in New York City within the year. Now he knows a little more about what to expect. "We learned a ton," he says. "We're much smarter about our brand and our product offerings."