

Dress designer commits to weddings

By **Steve Garmhausen**

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The recession may be crimping women's clothing budgets, but it's certainly not stopping them from getting married—and that's been a lifesaver for dress designer Kathlin Argiro.

"I had branched into wedding dresses quite by accident," says Ms. Argiro. "Now I'm focusing on that part of the business because it's the most recession-proof."

While the economy at large has withered, the resilient business of couples getting hitched has kept Ms. Argiro's three-employee firm—which specializes in dresses for wedding parties—afloat. It rang up \$300,000 in revenue last year and expects at least the same this year. And Ms. Argiro is using that modest success to woo the investors she hopes will take her firm into the big leagues.

The dressmaker is a good example of how to balance two important entrepreneurial qualities: creative passion and a sensible inclination to follow the market's lead, says Bruce Bachenheimer, management professor and director of entrepreneurship at Pace University.

"Entrepreneurs are close to the customer and in touch with what the market needs and wants—they have to be, in order to survive," he says. "On the other hand, they need their passion and commitment to keep going and be successful."

Ms. Argiro started recession-proofing her business, perhaps unwittingly, before the bad times arrived. Late in 2006, after her sister had pulled out of their partnership to raise a family, Ms. Argiro and her new business partner, cousin Courtney Zellmer, took stock of the business and decided to shift away from ready-to-wear fare.

It was a tough decision. Ms. Argiro had made her name as a ready-to-wear designer shortly after her 1992 graduation from Parsons The New School for Design.

"As a designer, there's a lot more challenge and fun to doing a ready-to-wear collection," says Ms. Argiro, whose dresses are sold through boutiques, a Manhattan showroom and online. "There's a more diversified use of fabrics, and I'm really using my design skills."

Among the high-profile customers for the dresses had been Katie Couric and Stacy London, host of TLC's *What Not To Wear*. But the dresses just weren't profitable enough, so Ms. Argiro and Ms. Zellmer decided to focus on dresses for weddings and special occasions such as graduations.

"It was a practical decision because of limited funds and personnel," says Ms. Argiro. "But when the economy started suffering and finally tanked, we became the smartest kids on the block."

These days, Ms. Argiro is answering a new call, to be "the person who brings bridesmaid dresses out of the closet," she says. Unlike the proverbial one-and-done bridesmaid dresses, Argiro's designs are meant to be multifunctional: They can have a second career as garb for cocktail parties or nights on the town. What's more, buyers can mix and match silhouette, fabric and trim to suit their taste.

Not only has Ms. Argiro's shift been a hit with clients, but it has allowed her to run a more efficient operation. Specializing in cut-to-order dresses means she no longer has a studio full of expensive, unsold ready-to-wear dresses.

"You can't put an evening dress through a Coinstar machine," she jokes.

It's not enough to find a market niche, though—you've still got to snare the customers. Ms. Argiro has boosted sales through crafty, recession-tailored marketing. Most recently, she gave away several dresses in promotions and contests that generated buzz and brought in more business.

"You really have to have a hook these days to get customers to part with their hard-earned dollars," she says.

Meanwhile, Ms. Argiro is looking beyond the recession. She's begun courting investors to help get her dresses into more sales outlets and shore up her operations. The goal is to make her business more attractive to a strategic partner who can finance production and distribution on a much larger scale.

"I'm certainly ready to play 'Let's Make a Deal,' provided that it's with the right person," she says.