

MAINstreet

MAGAZINE



Objects of desire

DANA KRAUS OF DK FARNUM
ESTATE JEWELRY

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What gave you the idea to start an internet luxury jewelry business?

After many wonderful years in magazine publishing in New York, my husband and I decided to raise our sons in a rural environment rather than the city. We had to reinvent ourselves in order to make a living in the Northwest Corner of Connecticut. I had extensive management experience selling luxury goods advertising at *Gourmet*, *Elle*, *Fortune*, and other publications, and wanted to parlay that experience into something entrepreneurial which allowed flexibility for family time.

I knew people at Cartier, Tiffany, and Bulgari and have always collected rare jewelry books, so when a client came to me and asked me to sell her entire collection of George Jensen jewelry I did so with confidence. One referral led to another and the business was born in 2002. I left this area in 2007 and it was not until 2012 that I made the conscious decision to reinvigorate the business, move back here, revamp the website, and take DK Farnum to the next level. The technology available now to bring luxury goods into people's homes is amazing, and now we have staff helping us to understand and best utilize that technology as we grow. And my buying eye has evolved after many years on the job.

Right now our mailing list exceeds 5,000 vetted and well-known names, and our inventory consists mostly of



Above: Jewelry currently for sale at DK Farnum includes Cartier, Schlumberger, Boivin, Van Cleef, Tiffany, Belperron, and Hermes. Below, left: Dana consults her extensive jewelry library to identify and verify jewelry pieces. Photos courtesy of Josh Gaddy for DK Farnum.

exceptional pieces not easily found on the secondary market. We're in a good place.

How would you describe yourself and your business?

Creative. Purposeful. Private. Authentic. Fun loving.

Estate jewelry just means that it has been previously owned; we help people edit their collections, which is often not easy since jewelry is so personal. And we are respectful of privacy in finding new homes for well-loved pieces. Jewelry can be an excellent investment with experience and guidance like ours.

We've developed a business model

that has made buying and selling one-of-a-kind jewelry easier and more transparent. Few people want to go into a store or a show anymore and feel assaulted by salespeople who often don't know

the merchandise intimately. The click of a button allows our clients to access our continually evolving website and expertise.

We are experimenting with interactive technology. We meet clients privately and spend a great deal of time doing rigorous research to develop thoughtfully vetted merchandise for our sophisticated (both intellectually and visually) clients.

We continue to explore technological advances and creative opportunities to enhance the buying and selling experience for a more informative less intimidating retail experience than bricks and mortar.

What professional or personal experiences prepared you for the business? What personal traits are important?

Humor, rigor, and resilience are key. I have to be a disciplined buyer and good listener. Previously I was always in management at large corporations with deep pockets. Now it's my neck on the line! We don't try to sell someone Van Cleef earrings when they are looking for a Tiffany bracelet. We have to increase margins and volume to stay afloat, but not at the expense of client satisfaction.

My many years in sales management, especially at *Gourmet*, taught me how to position and reposition a brand. My mentor there, Dick Barthelmes, taught me how to make my soft voice into a selling strength, not always easy when so many competitors have the wherewithal to be heard easily.

And I think being a mother taught me to continually prioritize and to understand the importance of humility as an entrepreneur.

What was the biggest surprise?

Through trial and error we had to learn to evaluate sub-contractors who work for us. Not everyone understands our business, so we had to learn how to best articulate our technological needs. I've made some expensive mistakes.

Did you ever do a business plan? How do you keep track of your profitability?

We are working on this! It is a business full of surprises. So many factors come into play; fashion, the economy, the commodities market. We are

Continued on next page ...



always looking to replenish inventory with quality and pricing in mind.

How quickly did your business grow?

In the past five years we've doubled our volume of business, more than doubled our subscriber list, and vastly increased our social media presence. It is an exciting time to reinvent the selling process for luxury goods.

What is your price range?

\$50 to \$1,000,000.

How do you screen your customers?

Thank goodness for Google! We do lots of research online. A number of our clients are referrals. Growing up in Manhattan and through school (the Brearley School and Smith College) and career contacts (*Gourmet*, *Elle*, *Fortune*, and the *Washington Post*) ours became a six-degree sort of world. One of my earliest clients was a top executive at Time Inc. Another was a CEO in book publishing. Another a local movie star. They are all still clients as are some of their children, which is really gratifying. We have engendered trust through these kinds of affiliations. As our name and brand grow, our level of vetting sophistication grows. With the strong dollar right now, we are doing a lot more work in Europe and abroad.

Is it more difficult to find the product or the customer?

Customer retention can be a challenge but we work hard to continue to "wow" existing clients. That involves finding extraordinary pieces and keeping prices where they should be. We don't buy pieces just to fill inventory. There is a lot of "plain Jane" jewelry out there that can be commoditized. And a lot of pieces that pretend to be something they are not. We look for singular pieces that reflect our aesthetic, have unique design attributes, and are authentic. These are indeed increasingly difficult to find. We buy from private collectors, from estates, and from friends. A lot of this business is about trust. It is much more difficult to find products consistent with the DK Farnum brand than it is to find customers.

Are fakes a problem? What's out of style at the moment?

We've been fortunate. We know what to look for; hallmarks, repairs, etc. We rely on our experience, network, and reference library to authenticate. At the moment some Victorian jewelry and cameos have fallen out of favor. And pins, which used to be more popular than earrings, are hard to sell. Stick around and they may come back! We are not governed by fads. Never will be.

Has the business changed?

There has been a huge shift in the jewelry and luxury goods world – away from a traditional in-store buying experience and away from 47th Street. People are much more comfortable with alternatives – online and, in our case, at home privately making jewelry purchases. DK Farnum merchandise is most often a considered purchase rather than an impulse buy. We want to make that experience a comfortable one.

In the past, when you went to buy a gift or an engagement ring, you went to one of the 5th Avenue jewelers in New York or to someone that your parents used. Now people source on the internet and have such a breadth of choices. This is where DK Farnum has carved our niche. All dealers buy and sell, but DK Farnum has a thoughtful, singular approach involving quality not quantity. While bricks and mortar remain important, our firm's methodology is more private, personal, and transparent.

People ask us all the time "What is it worth?" and, like real estate, the answer is that worth is what the market will bear. We know the market.

Who are your customers? Has that changed?

While many of our customers reside in the C-suite (and we learn a lot from those customers), we continue to be surprised by the breadth of our client base. Interestingly, many of them are men. Recently out of 15 internet queries, over half were from men. This may be largely attributable to men not loving to "shop" in traditional ways.



Above: A Hermès 18k heavy gold tassel lariat necklace from the 1950's is a piece that Dana loves to wear herself. Photo courtesy of Josh Gaddy for DK Farnum.

And most of our women clients are extremely knowledgeable, both about jewelry and about what they want. But we jump in as needed to tweak and suggest.

In the past week we sold a pair of very rare Sterle earrings to a famous jewelry book author and collector. And we also provided vintage Tiffany sterling wedding gifts for a 30-something bride we met at a local show. In both of those cases the clients found us.

How important is Instagram and social media?

What DK Farnum has is a signature style. You don't have to be dripping in diamonds or the latest hot bracelet to be elegant and chic. With our increased use of the internet and social media, we can convey our style to a growing number of clients and are able to interact with them through several platforms. We recently posted some vintage, no longer-made Hermès bracelets designed in the seventies by Georges L'Enfant (which makes them very collectible). In less than a day we had over 600 likes on social media and sold two of these

bracelets, at prices far less than they would be elsewhere. We continue to do shows and see clients privately, but the internet, including social media, has become an increasingly important part of the overall jigsaw puzzle. We monitor our response rates daily. Right now we have a 25% open rate on our emails compared to the industry average of 11.7%.

Right now I have the good fortune to work with Marina Kotchoubey, whose experience in luxury goods e-commerce and digital strategy has proved invaluable. Together with some talented subcontractors, we have a formidable team in this ever-changing environment.

What is the most popular type of jewelry you sell?

Our best sellers have always been earrings. They light up a woman's face, they make excellent gifts, and most women don't feel clothed each day without wearing them. And I happen to love earrings! So I am always on the lookout for extraordinary, exemplary

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earrings such as vintage Van Cleef, Verdura, Belperron, and Cartier. I worked at Tiffany and love to buy old Schlumberger. I'll be the first to tell you if earrings are too long for your face or the wrong gold color for your complexion.

In addition to your website and Instagram what kind of marketing do you do?

I've worked very hard in recent years to create singular marketing that expresses our brand. One example of this is our bi-monthly newsletter. Many dealers have followed suit, but we've established a DK Farnum voice. I receive lots of feedback that indicates that our clients actually read our missives. They tend to be informative, humorous and anecdotal. They also feature current products in a curated manner. We have fun with them.

Who inspires you?

Style icons that inspire me include Bunny Mellon, Iris Apfel, and Diane Vreeland. None of these women had/have any constraints – financial or social. Free spirits all, they established a distinctive style. Not to overuse the word iconic, they each have a certain *je ne sais quoi*, which I find inspiring. We are also continuously inspired everyday as we look out of our offices in the Northwest Corner at the natural beauty. It is one hell of a way to work! I travel a lot for business, but our little spot in the Northwest Corner continually inspires me.

Do you read any business books?

I use our extensive rare jewelry book library on a daily basis for everything from fact checking and images to authenticating pieces. Auction houses and museums that we work with provide lectures and exhibitions, which are very helpful in keeping up with the trade. I am a jewelry book nerd.

What trade shows do you do? Do you belong to any professional associations?

We belong to the American Society of Jewelry Historians and The Jewelers Vigilance Committee among others. We continue to do shows, although that world is in great flux. This harkens back to your question about how people are buying. We love to do local shows, so please come see us in person when we do them!

What advice would you give to someone starting a business?

You need your head examined! And you should stick to something you know.

What's next for you personally and professionally?

I would love to see our profits grow to a point where we can become more philanthropic. We donate jewelry each year to local organizations, but that's not enough. I've always been involved with and interested in the Salisbury and Sharon Land Trusts, as well as the Connecticut Audubon, and can

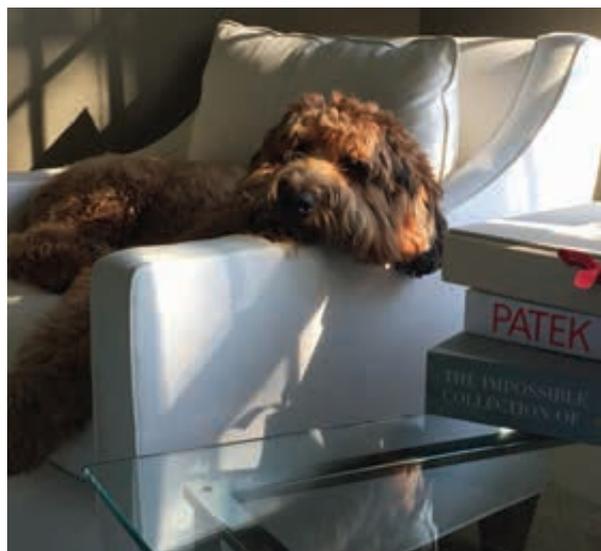
see using our sales wherewithal to work towards conservation and the environment. How wonderful it would be to dive into environmental philanthropy!

How do you relax? What are your other interests?

Family and the great outdoors are important to me and that includes our two ferocious office dogs that



Above: Natural pearl and diamond earrings by Verdura made for Babe Paley, wife of former CBS President Bill Paley. Photo courtesy of Josh Gaddy for DK Farnum. Below, left: Otis the office dog on duty. Photo courtesy of Dana Kraus.



make us laugh on a daily basis. My two sons grew up in the area and when they return to visit we love to hike as a family.

The decorative arts are my passion. Going to a girl's school in Manhattan we had the choice of either taking Driver's Ed or attending lectures by Rosamond Bernier at the Metropolitan Museum. Having chosen the latter, I arrived in the Northwest Corner in 1985 with a house, but not knowing how to drive! I have always made an effort to stay culturally connected. Most recently I went to Paris to work on an estate and saw the Medusa exhibit at the Contemporary Art Museum, which knocked my socks off. I went to Morocco to see the Majorelle Gardens, but still want to see the new Yves St Laurent museum that was completed this year.

Do you ever buy jewelry for yourself?

I frequently buy jewelry for myself, but part of the discipline of being a dealer is distinguishing between personal and business acquisitions. Having said that, one of the other things that set us apart from other jewelry sources is that I always ask myself, "Would I wear this?" when purchasing inventory.

Jewelry should be sexy and sensual. Right now there is a lot of edgy and remarkable jewelry available that's just not wearable. 70s jewelry is enjoying a moment. Some of it is stylistically wonderful, but a lot of it is just plain ugly. I gravitate to jewelry from the

1920s-1960s. I collect Angela Cummings, Schlumberger, Boivin, older Van Cleef, Verdura, Hemmerle, and emerging designers whose work represents outstanding craftsmanship and design.

How do you separate your style from your customers?

While we are very focused on the intrinsic DK Farnum style and brand, we do personal shopping, custom work, and we buy entire estates, so at any given time we have a varied repertoire, but our core style is cosmopolitan, chic, distinctive, and always represents exceptional design and workmanship.

We do not have a particular piece that is emblematic. But if I had to choose one piece right now that personifies our style, it would be some of the 1950s Van Cleef and Arpels earrings that we currently have on our website. They have it all: singular design, style, pedigree, and provenance.

What are you proudest of?

I am proudest of my two sons. Both of them are avid outdoorsmen and are interested in environmental sustainability and are pursuing careers along those lines. I love that they will be making differences in this crazy world. I am also proud of this entrepreneurial legacy we are creating for the next generation. ●

To learn more about DK Farnum, visit them online at www.dkfarnum.com