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¶ BC-SOU--Bead Retreat, Adv11-12,820

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¶ For release weekend editions, Dec. 11-12, and thereafter

¶ South Wire: Entrepreneurs build hobby into growing bead business

¶ Eds: 'Lesa' and 'Cindi' in lede are cq; moving on both news and business lines

¶ AP Photo VAJH601

¶ By SONJA BARISIC

¶ Associated Press Writer

¶ 12-09-2004 12:59

¶ NEWPORT NEWS, Va. (AP) _ Lesa Shepherd was a middle school principal. Cindi Swett was a manager for a direct sales cookware company.

¶ They quit their jobs to turn their hobby _ making bead jewelry _ into a business, working out of the craft room in Shepherd's home.

¶ Three years later, Bead Retreat Ltd. has nearly 400 sales coordinators nationwide and in Puerto Rico who attend parties at customers' homes, teach guests who pay a fee how to string a piece of jewelry, and sell them beads and beading supplies.

¶ The women say sales have almost tripled in the last year, and four national beading magazines recently featured items on Bead Retreat. The company now operates out of a 900-square-foot office suite in a business complex and has 15 contract employees, including Swett's son, who work up to 30 hours a week.

¶ Shepherd and Swett are busy designing their 2005 catalog, working on a partnership with Newport News schools to give special education students on-the-job training, negotiating a project for a national charity and preparing to hold their fourth national coordinators' conference, in Virginia Beach in March.

¶ "The name is getting out there, and the coordinators are growing throughout the country as well," Swett said. "Our little space has gone to two different shifts to accommodate orders."

¶ Companies that sell directly to customers, away from fixed retail locations, are nothing new _ think Tupperware parties. They're just getting hotter.

¶ The direct selling industry has had 19 consecutive years of growth, in both sales and sales people, said Amy Robinson, spokeswoman for the Direct Selling Association, based in Washington, D.C.

¶ Last year, more than 13 million people, about 75 percent of them women, worked in the \$29.5 billion direct selling industry, according to the DSA, which represents about 170 companies. Bead Retreat is a pending member.

¶ "People love getting together, and people love shopping," Robinson said.

¶ Direct sales is "recession-resistant," she said. People who like to sell can turn to it to earn money for vacations or other extras in good times and to supplement their family income when the economy isn't so hot, she said. Many get involved just to get discounts on products they use for hobbies or to make social contacts, she said.

¶ Shepherd and Swett were casual friends who, it turned out, both had been beading for fun.

¶ Around the same time, Shepherd created a necklace to coordinate with an outfit and Swett designed a bracelet featuring utensils that she sold through her employer. Other people noticed the items and kept asking the

women to teach them how to make their own beaded jewelry.

¶ On Memorial Day 2001, Shepherd and Swett began contemplating the idea of establishing a company. With their husbands' support, they spent the summer researching products, hand-designing their first catalog and creating a basic bracelet kit.

¶ The Sept. 11 attacks made the women determined to make the company a success and balance work with family life. Their motto: "We can do this."

¶ They formally launched the company the next month. By the time they held their first national conference, in March 2002, the company had grown to more than 20 coordinators. That summer, Shepherd resigned from her job to concentrate full-time on Bead Retreat; Swett had already left hers.

¶ People are surprised, Shepherd said, that a woman who holds a doctorate in education would "trade the chalk for beads."

¶ But she said running a business and a school both require similar human relations skills. "Coupled with Cindi's direct sales background, that completes the whole picture," she said.

¶ In January, the company enlisted its 200th coordinator, almost doubling that number by the end of the year.

¶ Shepherd and Swett attribute much of their success to the "I did it" factor.

¶ "We hit a market for the people who want to be creative, instead of the consumer that wants something premade," Swett said.

¶ Coordinator Judy Johnsen, a municipal court judge in Beaver Dam, Wisc., looks at Bead Retreat as a pleasant way to earn extra cash while doing a hobby she enjoys _ and to raise money for cancer research.

¶ Earlier this year, Johnsen made and sold bracelets she designed using Bead Retreat products to raise money for the American Cancer Society Relay for Life.

¶ Johnsen learned about Bead Retreat when she went to a party at a neighbor's house shortly after her parents died of cancer, 29 days apart. Working with her hands helped take her mind off her grief, she said.

¶ "It's fun looking at a whole bunch of beads in front of you, putting them on a wire and seeing what you can make," she said. "It's addictive."

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¶ On the Net:

¶ Bead Retreat Ltd.: <http://www.beadretreat.com>

¶ Direct Selling Association: <http://www.dsa.org>

¶ ^End ADV for Dec. 11-12<

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