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Survival of the Fittest

A Second Look at 10 Small Businesses And How They Stayed Alive -- or Didn't (excerpts taken)

It's hard to imagine a more optimistic group than entrepreneurs. Ask anyone who's recently started a business where they plan to be in a year, and the answer will invariably include some pretty lofty predictions.

The InBusiness column has heard many of them, and most of them turned out to be wrong.

That is not to say the companies profiled in the first months of this column, which debuted in July 1999, have largely been failures -- far from it. But most have grown much faster, much slower or in a far different direction than any of their owners could have foretold.

It seems so quaint now, the way Mei Xu undersold her achievements in an interview a year and a half ago. She and her husband, David Wang, young immigrants from China, had built a \$20-million-a-year, profitable business designing elegant, aromatic candles and having them made in China.

The couple's Rockville business had exploded as the candle craze intensified, but next to all those fast-growing, stock-offering, millionaire-making dot-coms that were breaking out all over, it did seem rather mundane.

Worried that the trend was going to burn out, Xu and Wang started a Web site, Giftonline.com, selling all manner of gifts and home decor items. They poured money and time into their site, convinced they were planning for their future.

Fast forward a year and Xu is feeling pretty thankful for baby boomers who try to find peace and fulfillment by striking a match. Giftonline failed; candles are still on fire.

Pacific Trade's candles are sold in chain stores such as Macy's, Sears and Target. At \$15 to \$20, they are selling well even as the economy falters.

But Xu is still worried the candle trend will fade, so she's designing more gift sets, more candle accessories and more related lifestyle products to diversify the business. She'd also like to create a line of candles for upscale chains such as Neiman Marcus.

But for now, her future is in candles.

"As of now, we have pretty much designed everything through Christmas of next year," she says. "We're about to start looking at spring of 2002."

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