

AMERICA'S NASTIEST FAMILY FEUD • FACEBOOK'S NEW FOE

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TO BUILD A
NEW THING."

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The Renaissance Woman

When Natalie Shaheen couldn't find classical furniture to suit her regal tastes, she founded Josephine Homes so others could live like kings and queens.

BY KATHLEEN CHAYKOWSKI

The Josephine Homes showroom may be in a design building near San Francisco's SoMa but once inside visitors feel as if they are in a shimmering Italian palazzo.

Carved, white-painted wood frames the entrance, along with a Romanesque Carrara marble statue and stately porcelain sconces. The ornate decor is made the way the 13-year-old luxury-home design firm creates all of its pieces: by hand in Italy.

Founded in 2003 by former engineer and tech executive Natalie Shaheen, Josephine Homes maintains a network of artists and artisans in Italy to design the interiors of homes and estates across the world. The collection includes everything from handmade furniture and ceramics to frescoes and hand-blown glass light fixtures. Many pieces—which range from about \$2,000 to \$150,000—shimmer with Swarovski crystals or have gold-leaf detailing that looks as if it came from Versailles. There are even painted ceilings for those who want to add a touch of the Sistine Chapel to a bedroom.

Shaheen describes Josephine Homes' aesthetic as a mix of Renaissance, Empire and Neoclassic but with an American twist. The style is not an exact imitation of those forms but a fusion with contemporary materials and flair. The collection is ultimately intended to be practical and durable.

One of her company's largest sales was a \$1 million project in 2013 to design and



Sitting pretty: After a successful career as a tech executive Natalie Shaheen saw a golden opportunity for an Italian-made home furnishings business.

furnish a five-bedroom mansion in Shanghai. And if Shaheen doesn't have a particular piece that a customer is looking for, and it fits into the aesthetic, she will have it designed. Like Napoleon's first wife, for whom the company is named, Josephine Homes believes in indulgence. "She practically drove him broke," Shaheen says with a smile. "She couldn't say no to beautiful things."

The 55-year-old Shaheen grew up in Tehran, Iran and moved with her family to the Bay Area at 18. Shaheen studied literature at the University of California, Berkeley before

earning a degree in computer science at San Francisco State University. She taught computer science for several years and spent nearly two decades as an engineer and manager at a number of tech companies, including a three-year stint as director of marketing at Oracle.

But in 2002 she was ready for her corporate life to be history. Having spent almost two years furnishing a house with her husband, Rafat, Josephine Homes' acting CEO, the couple was dissatisfied with the level of craftsmanship available in the Bay Area and with the service from designers. So the pair went to Italy to find handmade furniture for their residence. Shaheen loved the process, and when their house was complete, she received so many requests from friends and family to help furnish their homes that she opened her own design and furniture company the following year.

Her passion has paid off. Josephine Homes surpassed \$5 million in revenue last year, more than a 27% increase from 2014.

The company became profitable in 2007 and says its profit margin grew by 4% per year on average over the last five years. Dedication aside, Shaheen attributes much of the success to being lean. She has always been Josephine Homes' only full-time employee, although she works with 15 or so part-time or project-based employees. She has also developed a vast network of more than 150 artisans, workshops, factories and designers in Italy. Shaheen says her affinity

for technology has helped grow the business. She launched a company website in 2003, and she and her husband built the business' models for tracking financials and inventory. The two also apply their engineering skills to ensure the structural soundness of their furniture and the logistics needed to install them, such as suspensions for ceiling domes.

But building a luxury design business has not been without its setbacks. When Josephine Homes debuted, its aesthetic was too broad, which hampered sales. So in 2005 Shaheen shifted the focus to Italian-made pieces. Following the 2008 financial crisis, when other furniture makers responded by making cheaper pieces, Shaheen poured even more money into the company and dropped her midmarket products to focus on higher-end pieces. In 2008 she shifted her sales model when Josephine Homes opened the San Francisco showroom to customers in addition to designers.

One client, Amy Rees Anderson, founder and managing partner at angel investment firm REES Capital, purchased furniture from Shaheen in 2013 for her home near Salt Lake City. Besides appreciating the quality of the pieces she designed with Shaheen, Anderson admires the company's revenue and considers the growth "incredible" given Josephine Homes' petite staff.

"I'd invest in her all day long," Anderson says, noting that Shaheen offered a level of service that she couldn't find elsewhere. "My fear if I were an investor is that her personal touch makes the difference. You have to figure out how to scale it."

To grow the business even bigger and compete with larger companies such as Francesco Molon, Shaheen has plans to expand her U.S. presence. She aims to open her first retail store in San Francisco as well as showrooms in Los Angeles, New York and Dallas over the next five years. She is also considering venture capital funding for expansion.

But there is one aspect of her business she is determined not to change. "We don't mass-produce, and we don't want to," she says plainly. "These pieces are our creations, and we want each one to have a personality. You're living with art." *

FINAL THOUGHT

* "Simplicity is the ultimate sophistication." —LEONARDO DA VINCI