

TOOLBOX

BOOKS



**Accidental Branding:
How Ordinary People
Build Extraordinary
Brands**

By David Vinjamuri

If the reader is to take anything away from "Accidental Branding: How Ordinary People Build Extraordinary Brands" it is that anyone, even under the most difficult of circumstances, can find business success.

David Vinjamuri recounts the true tales of seven everyday people who became such successes, among them Craig Newmark of Craigslist.com and John Peterman of the famed J. Peterman mail-order catalogue. All offer a unique lesson about how to build a successful brand out of



BE KYOOT INC.

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The moral of each story is that within each person exists a maverick entrepreneur — and any situation can spark an idea. Vinjamuri tells how Roxanne Quimby, founder of earth-friendly personal care product-maker Burt's Bees, was living in a tent in Maine when she was picked up while hitchhiking by the company's namesake, a beekeeper named Burt. From that chance encounter she went on to create her multimillion-dollar company.

Accidental Branding is part how-to guide and part journal, with Vinjamuri

SEE TOOLBOX, PAGE 20A

INSIDE

SELLING POINTS	20A
PEOPLE PERSPECTIVE	21A
GOV'T PROCUREMENT	22A



CRAIG H. HARTLEY/HBJ

Happy Paper, left, aka designer Christy Sanderson, and Steve Houck of Be Kyoot Inc.: Hoping their company's products will be the next teen sensation.

Stepping into character

Targeting anime convention-goers proved to be a sound marketing strategy for niche clothing and accessories company Be Kyoot Inc.

BY CASEY WOOTEN
HOUSTON BUSINESS JOURNAL

Happy Paper is an anthropomorphic roll of toilet tissue. He's got eyes, legs and long tissue arms, and he spends his days lounging around in a big gray kimono with his friends.

A first glance, this cheery bathroom item seems an odd choice for the lead character in a company's line of clothing and accessories, but if Happy Paper lives up to the expectations of his creator, Christy Sanderson, this unlikely star may be the next teen culture sensation.

The talking, walking bathroom tissue and his equally surreal buddies have already propelled their creator and Be Kyoot Inc., the Houston-based company that produces her girls' and women's apparel designs, to strong growth since its launch in late 2005.

Be Kyoot and its line of characters has es-

tablished itself as a growing brand among the 10- to 21-year-old female demographic. The company has launched a successful campaign interacting with customers directly through the Web and through conventions for fans devoted to Be Kyoot's genre of artwork — anime.

Be Kyoot's first-year revenue was \$200,000. In its second-year it was \$1 million.

The company's model resembles that of Japan's marketing phenomenon, Hello Kitty, the cartoon cat found on the clothes and notebook binders of legions of grade school girls in both Japan and the United States.

Be Kyoot targets the same demographic. Happy Paper and his cohorts — cats Momo Cheat, Evil Landlord and Fat Cat and canines Frankie and Pudge — are the centerpiece of what company President Steve Houck and Sanderson hope will become a worldwide craze among teens.

Be Kyoot, an altered spelling of "be cute," got its start in the chance meeting of Houck and Sanderson, the company's creative director. Houck was the majority shareholder of Concorde Building Services, a supplier of janitorial services to local office buildings. Sanderson was working in marketing and graphic design for the company.

"Literally, one day I was watching some of her drawings in her office and was fascinated by the characters she was drawing," Houck says. "A lightbulb went off in my head that this girl really had a lot of talent. I kind of digested that thought for a while."

Houck went to work, searching for a market for Sanderson's work. What he found was an entire legion of fans devoted to anime, a style of art and animation imported from

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www.bekyoot.com

SEE CHARACTER, PAGE 18A

STRATEGIES

CHARACTER: Designer's creations influenced by anime and American animation

FROM PAGE 17A

Japan and embraced by a U.S. youth culture always eager for something new.

"I realized that it was a huge, growing social phenomenon and it was being mainstreamed more and more in America," Houck says.

Anime in Japan dates back to the early 20th century. In the late 1960s and early '70s, the style began to catch on in the U.S. with a popular television series dubbed into English and imported across the Pacific. Today, anime has carved out its own corner of mainstream pop culture and still maintains a fiercely devoted fan base.

Sanderson's creations are heavily influenced by the combination of anime and the American animation she grew up with. As a child, she would park herself in front of her family's television with a sketchbook, copying the screen characters onto paper.

"I would watch Disney movies and sketch the characters," Sanderson says.

Her inspiration, she says, comes from everyday objects, hence Happi Paper. Other characters are adaptations of real animals. Fat Cat, for example, is based on Sanderson's own cat, Luna.

Houck saw a business opportunity in Sanderson's creations. The long-time businessman was winding down his involvement in his building janitorial services company. Labor was being unionized and he and his partners were preparing to sell. Seeing an opportunity

to break into a new industry, Houck decided to back Sanderson's creativity with his business know-how.

"I had wanted to somehow get into the entertainment industry but couldn't figure out exactly how," he says. "This, to me, was some kind of way and I was willing to put in some money to see if it would work."

Be Kyoot's offices, although smaller, are located in the same building as his previous company, something Houck says is simply a matter of convenience.

Financing wasn't an issue, Houck says. After the sale of his business he had all the capital he needed to start Be Kyoot. Sanderson is a minority stakeholder in the company.

But the company needed to get the word out about its line of characters. After some deliberation, Houck and Sanderson decided to sell their products not only over the Web, but also at conventions — focal points of the anime subculture.

Fans — often dressed as their favorite character — flock to the gatherings to share their interest and browse the latest merchandise.

Houck and Sanderson knew if Be Kyoot was to become a success, they first would have to woo convention-goers.

"We decided to go where the anime crowd was going, rather than just kind of a 'build it and they will come' theory," Houck says. "We decided to go to Anime Expo in Los Angeles and we took everything we had out there."

Things couldn't have turned out better for Be Kyoot's market debut in early 2006.

To help raise capital, Be Kyoot planned to sell generic merchandise

such as other brands of clothing and Japanese comics, or mangas. Demand was so strong for Sanderson's creations, however, that Be Kyoot items sold out the first day.

"We were just blown away that people were lined up literally four or five deep for our products," Houck says. "These were anime fans. This was a pure anime show."

They quickly disposed of the generic merchandise and began to capitalize on the buzz surrounding their own characters. The plan to introduce their products directly to customers at conventions had worked. Merchandise was flying off Be Kyoot's tables and Web sales were increasing month over month.

"By going to conventions it became apparent to me, on a cash-flow basis, that you could break even reasonably quick if you could hold overhead down and your traveling costs down," Houck says.

John Swasey, an actor, director and 20-year anime industry veteran, met Houck and Sanderson in 2005. Swasey, who rented space at a recording studio in the same building as Be Kyoot's offices, introduced himself and soon found himself consulting for Be Kyoot. The project he was collaborating on, an animated feature, stalled due to cost, but Swasey says he believes Be Kyoot has the potential to become a sensation.

"(The anime business) is such a wacky business," he says. "You don't know what is going to be the next big thing."

Swasey says Sanderson's characters have an appeal that gives Be Kyoot a real shot at achieving mass popularity.

"When you really get down to it, there is something very simple about these characters," Swasey says. "If they can get

it out there in front of the right people, someone somewhere along the line will catch onto it."

Be Kyoot is following its bottom-up model by developing an aggressive, cross-country touring schedule, striving to have a presence at as many anime conventions as possible. The tenacity is paying off with strong sales. By mid-2007, Be Kyoot, a little over a year old, had crossed into the black.

Be Kyoot is eyeing expansion in the near future. Houck says the company may go to the equity market toward the end of the year to get the capital to grow its selection of merchandise and Web site. On the creative side, Be Kyoot's goal is to move its characters into new media. Houck says he plans on leveraging the success of the merchandise to help convince studios or publishing houses that a Be Kyoot project will be a hit.

"We'll see what works," Houck says. "And then try to put together perhaps a book or movie deal. We can say, 'We've sold "X" amount of licensing products on this character and we believe that there is a huge following for this.'"

Houck and Sanderson are sure of Be Kyoot's bright future, and Houck doesn't regret making the jump into a new business sector. One should always follow a good idea, he says.

"If you have something unique, then you should trust your instincts with it," Houck says. "Figure out who your customer is and go after them. Have your idea confirmed or modify what you are doing. That to me is the lesson. And this time I felt that itch and I went after it." ■

cawooten@bizjournals.com • 713-395-9637



Sanderson