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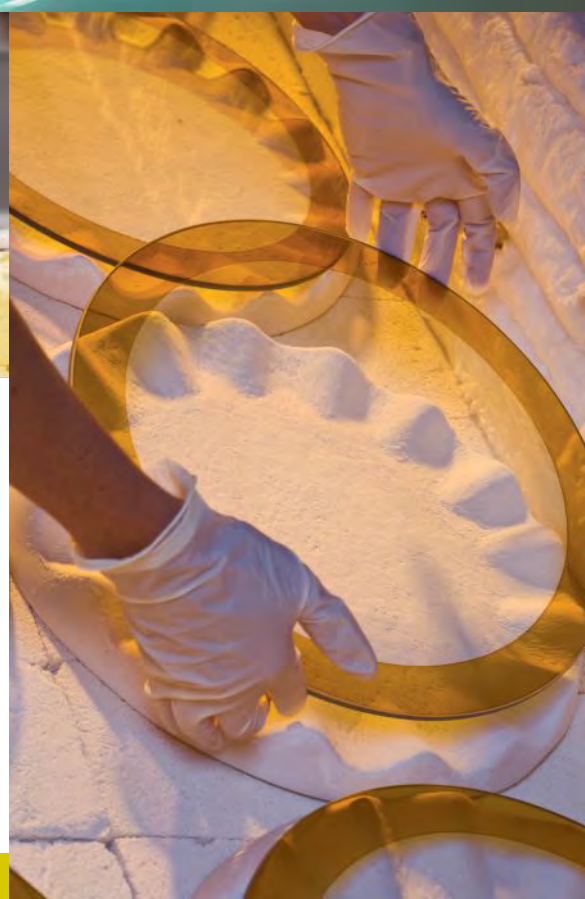
MIKASA®



ann morhauser

Ann Morhauser, the animated and accomplished founder of her self-named operation, continues to churn out inventive and cutting-edge collections in her inimitable (and highly imitated) style and spirit.

Over 32 years, this much honored artisan has ceaselessly developed the craft she first plied as a college student on California's beaches where she innovated the slumping process which led to Annieglass.



www.annieglass.com

HANDCRAFTED FOR EVERYDAY LUXURY



IT SEEMS AS IF THE ONLY TIME I EVER SPEAK TO YOU IS WHEN you're on the go. I'm reaching you in transit again today.

That's right. We're in the middle of closing our Santa Cruz store and moving into Silicon Valley, where we've opened a brand new store which is a cross between Audrey Hepburn and Amy Winehouse; it's elegant and edgy, not stuffy. We just opened last week.

Is this the only Annieglass store now?

We still have our store in Watsonville, but there are a lot of changes there as well. An organic farm stand has moved onto the property and on weekends we have food trucks and craft beers and local wine and music in addition to our studio tours so the weekend is a fun and lively place to be.

I'm very excited and interested in the Silicon Valley store.

What inspired that move?





Ann Morhauser fell in love with glass when she saw it being blown on a California beach almost four decades ago and was instantly smitten. "On that beach, there was so much energy, I was like: *'Whoa, what's that? Teach me!!'*" Glass is such a beautiful material. The manipulation of it, the heating of it, and when it flows, it's just so beautiful! I feel so lucky to be playing in this sandbox."



It's a luxury area with four million people. There are Tesla dealerships, tony restaurants, upscale shopping. Silicon Valley is a luxury market waiting to be tapped. The outdoor mall has fashion's top names, and we're across the street from Z Gallerie and Sur la Table. Our store is long and narrow and set up like an apartment. It's a great place to look at Annieglass. My daughter Ava is running the store.

It's a hefty investment.

We repurposed a lot of fixtures from the old store, but, yes, it is. When we were set to renew the lease on our Santa Cruz store, it was going up so much that we figured why not pay more and get more. There are 250,000 people within 15 minutes of the store that earn over a million dollars. Apple and FaceBook, everybody's here. It's the heart of

and fun. I'm always learning, and opening this new store has been very exciting.

This is just one part of an Annieglass rebranding.

We commissioned a focus group which revealed a lot of interesting things to us about how our brand is perceived. For one, our logo was 20 years old and looked it. I was surprised by that but glad to find out. So we have a new logo now which is fresh and playful and I love it. It's part of a rebranding which includes packaging and products as well.

What was revealed in the focus group that excited you?

It was clear that there was a central person, an Annie, who made the product. That's what we always wanted to highlight and that was clear to the group. Now our name on the



Silicon Valley. And what's great is that Annieglass is made right here, made by hand on California's central coast. A lot of people appreciate that craftsmanship. Handmade is an interesting trend that has come back.

Everything's cyclical.

That's so true Amy. If you're in business long enough you become trendy again.

I've known you 30 years. Can you believe you've been in business that long?

It's actually 32 years, but who's counting.

Does it feel that long? Does it get old?

Not really. There's enough change to keep it challenging

product is highlighted so it stands out even more. There is an Annie who really does make this stuff. We also updated our tagline to *Handcrafted for Everyday Luxury*.

How often do you commission focus groups?

Often enough. This one was a big one since our staff was involved. It's important they know how the brand is perceived.

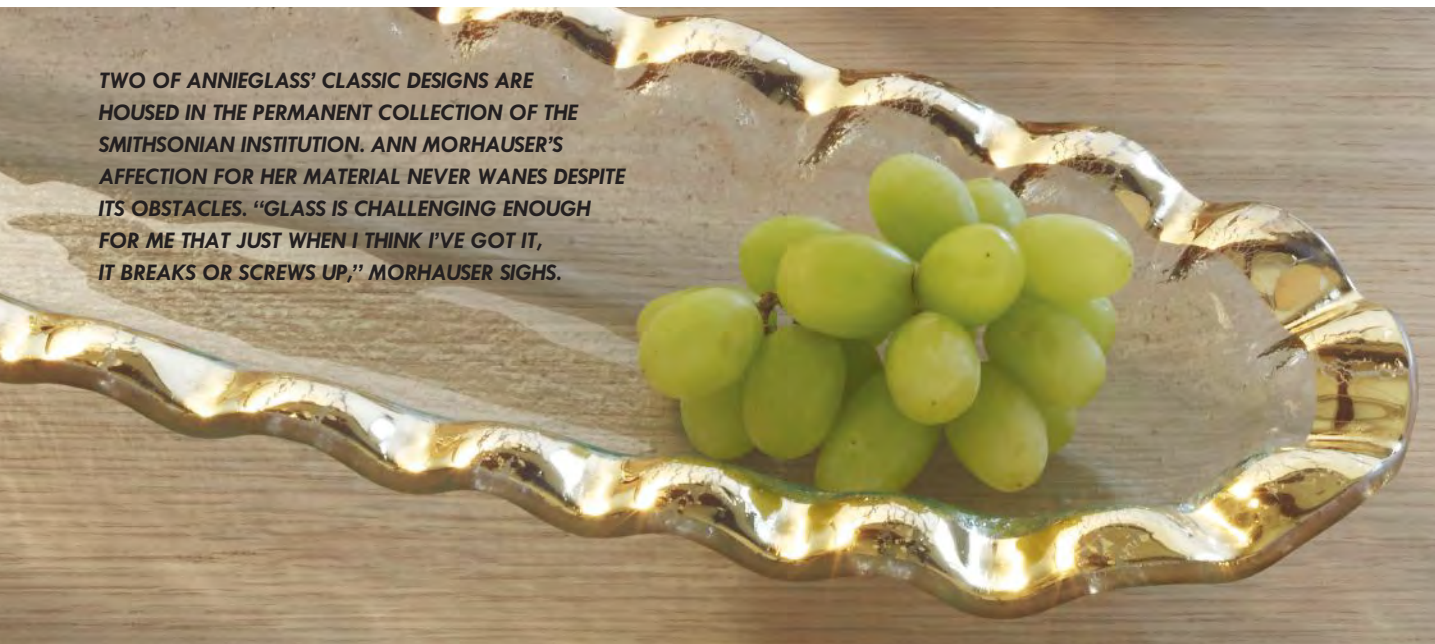
How big is your staff?

We have 24 employees.

When was the Annieglass heyday?

Now probably. We've had a few more employees in the past but we had double shifts that really didn't work because we never had enough management for a double shift.

TWO OF ANNIEGLASS' CLASSIC DESIGNS ARE HOUSED IN THE PERMANENT COLLECTION OF THE SMITHSONIAN INSTITUTION. ANN MORHAUSER'S AFFECTION FOR HER MATERIAL NEVER WANES DESPITE ITS OBSTACLES. "GLASS IS CHALLENGING ENOUGH FOR ME THAT JUST WHEN I THINK I'VE GOT IT, IT BREAKS OR SCREWS UP," MORHAUSER SIGHS.



What else hasn't fared well over these three decades?

We had two stores across the street from each other. One was too small, just 300 square feet, and the lease was expiring so we opened a new store across the street. They were both open for one year, one very painful year. We had two sets of staff, everything in twos. There was no benefit whatsoever having stores across the street from each other.

You've been a most prolific designer.

For every design you see, there are at least ten that failed. They're in what I call the boneyard. I'm making beautiful durable glass that you can put in the dishwasher out of window glass and that's really challenging so there are lots of screw-ups. I'm always trying to reinvent the wheel.

How much time do you get to spend designing?

That's the primary thing I do. But it's cyclical. We just put to bed fall 2015 so now I'm on to summer 2016.

Moss doesn't grow under your feet. What would you say is your greatest strength?

Pragmatism, and the ability to change when needed. From a production and financial point-of-view, I'm pretty good at decision making. And I've been a design visionary who can actually influence.

So true...Annieglass copycats abound.

There have been many. I usually prosecute and that's

held them off. It's not as much of a problem anymore. We've been around awhile and people want the real thing. They want something that can go into the dishwasher, and that sets us apart.

After all these years, what aspect of business are you unhappy with or haven't been able to grasp fully?

Cash flow projection. I only understand rudimentary profit and loss statements. And there are a lot of technical things I've been trying to do for 30 years; a lot of things I've failed at. Hence, for every design you see, there are ten that didn't work still in the boneyard.

The well hasn't run dry even after 30 years?

Not at all. I was in Italy last summer at the Galileo Museum, the Gucci Museum, and the Ferragamo Museum. I left with a notebook bursting with ideas. My production manager dreads seeing me come into his office because he knows I have new ideas that may not be easy to implement. 'Oh my god...what's up her sleeve?' I'm off to the Netherlands for a Dutch design tour which I'm very excited about. There's always inspiration.

You wear a lot of hats: designer, retailer, entrepreneur.

Do you have a favorite?

Artist and designer. It's the hardest, but it's my favorite. I do all those other things with an incredible staff, many of whom have been with me a long time. I couldn't do all this if it



weren't for them. The average Annieglass employee has been with us 12 years. Our product manager just retired after 30 years and our new guy is having so much fun revamping things.

Do you feel responsible for your employees?

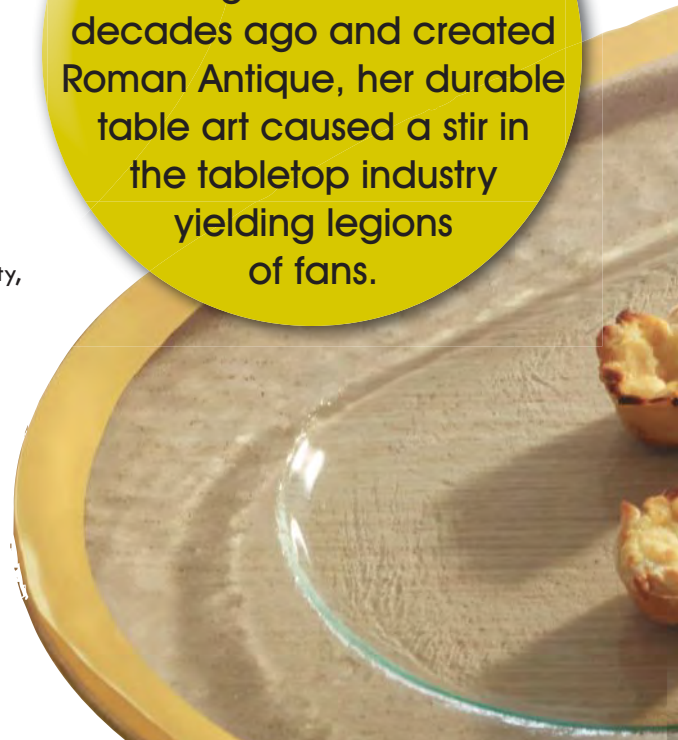
Of course, yes. For my family as well. My daughter's in the business too. I've always thought that I feel too much responsibility. It's natural for me to have a maternal take on things. But because of this great responsibility, I try to make good business decisions.

What's the best business decision you've ever made?

Buying my own warehouse, in 1996. And opening my own retail store. There are actually a lot of good business decisions I've made. Being good to my staff is another.

What's the worst thing that's affected business?

When Ann Morhauser melted gold onto a slab of glass almost three decades ago and created Roman Antique, her durable table art caused a stir in the tabletop industry yielding legions of fans.





9/11 was pretty devastating and how suddenly everything dropped for months afterward. The recession was also challenging. And this winter's weather, for some of my customers, was really challenging. Certainly, knockoffs have been challenging.

What's the best change over the last three decades that's affected Annieglass?

We've had several changes. The focus group really set us on the right path for the future. We've also had a few key people leave our business after many years. While this can be challenging, it enabled us to get fresh faces and new ideas, helping us continue to grow and change as a company. Buying a waterjet machine and mixing craft with technology was a great change. That's one reason I'm not bored. There are so many things I want to do with that machine, but I have no mentors; no one's using it. So it's all trial and error, pretty much the same as when I started in business 30 years ago. Back to square one in uncharted territory, figuring out things for myself.

How has the company fared, dollarwise, post recession?

We've had nice consistent growth, between eight and 12%. I've been surprised that some of our most expensive pieces are the most popular, even through the recession.

How expensive?

Our big anemone platter is \$420. Our sweet spot is \$125 to \$250.

You've always been green-minded. What's on the company's green agenda these days?

We were recognized with the Green Award for Eco-Sustainability at the 26th Annual ARTS Awards in January for our green endeavors. We're starting to achieve zero waste. All of our scrap glass goes back to the factory. We recycle waste from palettes, paintbrushes, and inkwells back to the refineries. We're very conscious waste-wise. Our packaging is green. This is an area I'd like to develop more.

You also find the time to mentor young artists.

I spend a lot of time advising students at the California School of Art which is where I went to school. Being around all that creativity and experimentation is thrilling. I can feel

it in the air when I walk onto campus. I've been there nine years. I'm a trustee and adviser to the MBA program.

You're very vocal about the kick you get from being on campus. What keeps you coming back?

Their willingness to experiment. It's really important for me to fail and keep trying. I like trying to put a square in a round hole. I see my contemporaries unwilling to do that. You reap so much benefit when you keep at something that's challenging. Students have nothing to lose, so they're willing to keep trying. They have a natural curiosity which hasn't been shut down yet. I have a lot of limitations in my business and processes which is why I love experimenting. I may not get it right the first time, but I'll keep at it until I do. That's why I have the boneyard – looking for the great idea that got away. It may not work out now, but it will eventually.

What's the most essential skill you've developed?

I was always good at processing; I could analyze anything and figure out how to make it and reproduce it. I'm good at doing a lot of things at once, managing multiple projects. I'm also good at moving on. You can't just focus on one thing because if that doesn't work you miss out on all the others that could work. I also like implementation – getting ideas from my head to the shelf.

Is it a tough juggling act?

I try to maintain balance. I have a place in Hawaii and one in San Francisco for down time. I have friends that work weekends. I can't; I have to rest. I feel guilty working weekends. I travel a lot, but I make it enjoyable. I'm going to New York this week for a Bloomingdale's presentation. They see lots of routines so I try to make mine different. This time I'm a hipster barista where I'll talk about artisanal movements in beer, pie, and coffee, and how we're artisanal too. Annieglass is all handcrafted.

Are your presentations always entertaining?

Oh yeah. One year I was the slutty homecoming queen! Another year I was the Wicked Witch of the West. You have to be engaging.

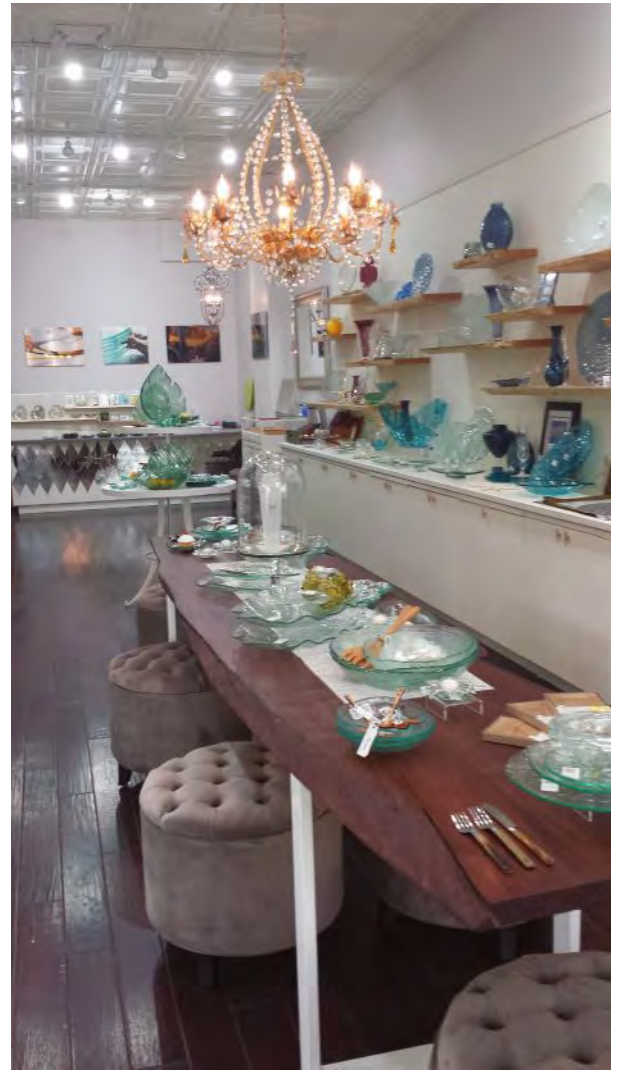
Where will you be in five years?

I want to expand our artist in residence program to include



Annieglass just celebrated the opening of a new store (shown here) on Santana Row, the upscale, outdoor shopping mall in the heart of California's Silicon Valley. "Opening on Santana Row, with the help of my daughter, Ava Reinhold, has been a dream realized," exclaims Ann Morhauser, founder of Annieglass. "Ava manages the store and represents the generation of highly adept tech users who have a keen appreciation for the ever-increasing rarity of handcrafted, sustainably-made quality products."

Utilizing raw cypress from a neighboring mill throughout the interior and lining the store with suede-upholstered seating beneath crystal chandeliers helps create a playful mix of texture and materials, resulting in a store that's elegant and edgy.





more artisans who come and work in the studio. I want to focus on production, be more efficient and flexible, and create new techniques.

What's the biggest headache these days?

I really don't know if I have any. We kind of achieved what we wanted to achieve. We have a great staff. We did a lot of editing product and we're going forward with new collections that are all production friendly.

How many items in the Annieglass catalog?

About 500. Every year we launch about 75 new pieces which sets us apart; we don't just do line extensions. We make new collections for every show and we make the molds ourselves.

Do you have a favorite Annieglass piece?

It changes. The cone vase been a favorite for a long time and I like the clam shell.

How many retail accounts are there?

400, mostly independents.

What does the future of retailing look like to you?

As a retailer myself I think there is a future, a good future. Sure you can go online and buy stuff, but people still need something special to touch, to look at. As far as ecommerce and social media, we have our own site, but we don't do a lot of online marketing with social media. I don't see a lot of sales out of that. You have to play the game, but there's no return on investment yet.

What makes a good vendor?

Customer service, which is what we're really good at.

What's the best advice you ever got?

It was from my brother when I started the business. He told me to write down everything I do, everything I have to do, and everything I want to do and that should be the job description of my first employee. And it was!

What's still enjoyable after 32 years?

It's the same thing that's gotten me out of bed every morning for three decades. I'm fusing technology and art which is a lot of fun to do and makes me want to get better at.