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Close-Up

Sacred Silks seeks divine investment

By JENNIFER McENTEE
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ENCINITAS — Though Angela Joy Coppola's wares invoke spirituality, she's praying for an angel. An angel investor.

As president and chief executive of **Sacred Silks** — a line of silk products that depict stain glass windows, mosaics and architectural elements of various religious sites — Coppola said she's caught in a "classic catch-22" when dealing with the federal Small Business Administration.

"The SBA won't lend money unless the banks OK you. The banks won't OK you unless you're willing to put up collateral if your business hasn't made a substantial profit already," she said in a recent interview from a park just outside Encinitas' Seaside Church of Religious Science, which sells her silks. "So if your business has made a substantial profit, well yes, you can use capital to grow your business. But the SBA was supposed to be that arm of the government that was in there to help businesses go forward when they saw that they had a good product."

Venture capital firms see Sacred Silks as too small for their purposes, and besides, they seem to only be interested in high-tech and biotech companies, Coppola said.

So Coppola is putting to use her skills as a former advertising agency owner to market Sacred Silks to an indeterminate audi-

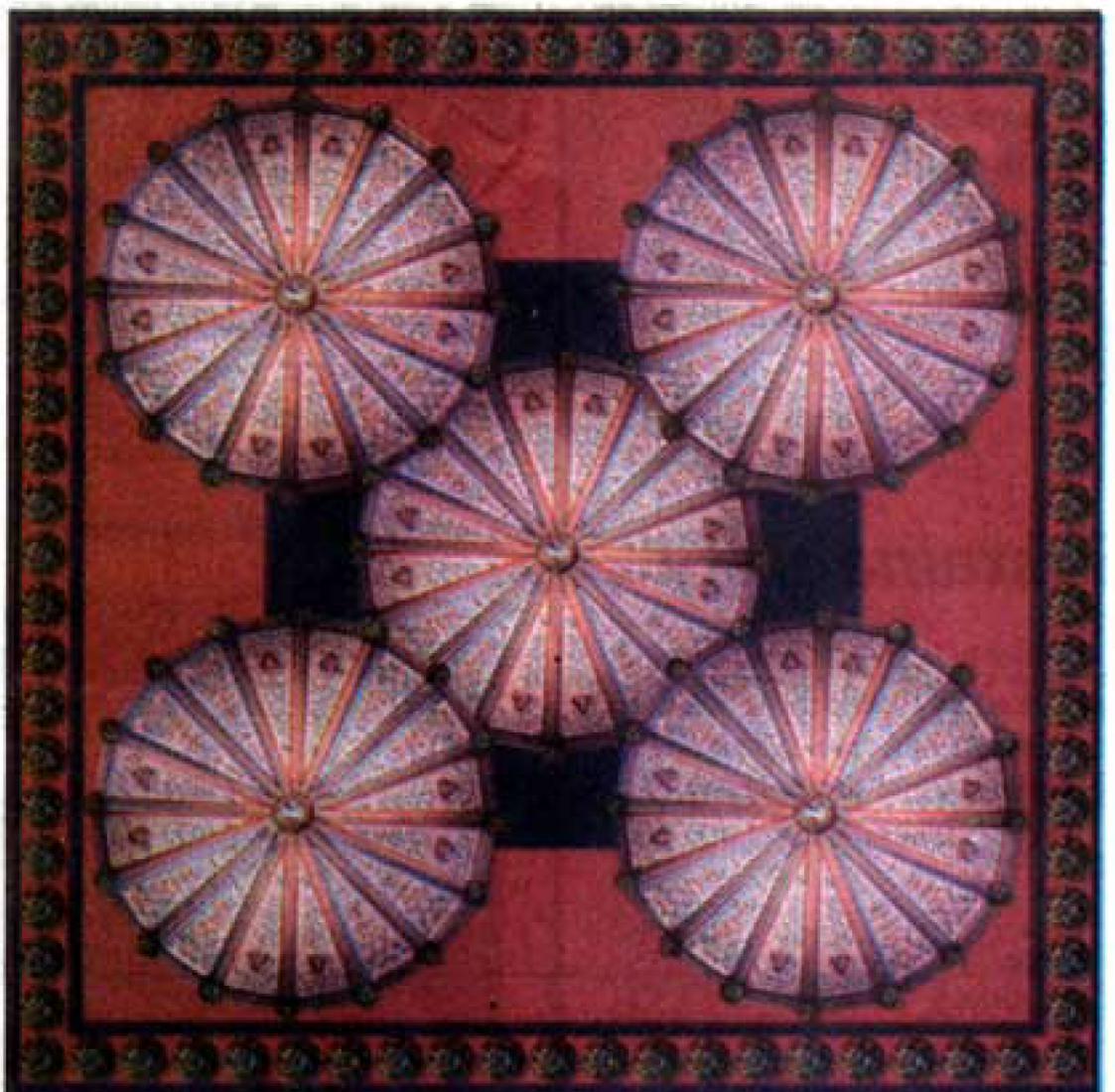
ence of angel investors. She hopes to raise \$1.3 million in funding for a number of purposes, including updating her Web site and catalogue to better reflect the silks' many uses, such as scarves, altar cloths, wall hangings and bedding.

"I really believe that the right investor will show up. Somebody



Angela Joy Coppola

See **Coppola** on 3A



Image/Sacred Silks

Sacred Silks has interpreted York Minster Cathedral's Chapter House vaulting in this 35-inch silk piece.

Coppola

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that resonates with it," she said. "From my business experience, I never would have put five years of my life and a huge amount of my own money in this unless I knew that I had a tiger by the tail."

Coppola said sales of scarves and shawls represent a \$600 million a year industry, while the home decorative accessories industry is close to \$16.8 billion.

With the backing of friends, family and Coppola's own dollars, Sacred Silks turned a small profit last year. With a key investor or strategic partner, Coppola estimates her business could initially generate annual sales of \$5.4 million for a profit of \$460,000. After three years, Sacred Silks could generate annual sales of \$21 million for more than \$4 million in profit, she said.

Until she finds an investor, Coppola said she's "keeping the belt tight," maintaining about five part-time employees rather than the eight full-time positions she previously employed. She operates Sacred Silks out of her Encinitas home.

Coppola has obtained exclusive licensing agreements to reproduce images from religious sites including Washington, D.C.'s Washington National Cathedral, San Francisco's Grace Cathedral and Congregation Emanu-El, Garden Grove's Crystal Cathedral, New York's St. John The Divine and London's St. Paul's Cathedral.

After obtaining rights to use the art, Coppola works with a contracted designer to determine how the images will be displayed on the silk.

The fabric is hand silk-screened by third-party artisans in Japan, Korea and China. Depending on the level of workmanship, the silk pieces can range in price from \$30 to \$130. Ten percent of the purchase price is returned to the appropriate religious institution.

Coppola said it has taken a degree of market research to determine how best to sell the silks. She's found that the catalogue and Web site complement each other, giving customers alternative ways to view the silks.

Churches, too, provide access to customers. Some churches sell the silks in their gift stores, and still others incorporate them in employees' uniforms.

Traditional retail outlets were less successful channels. Sacred Silks were previously sold at **Bloomingdale's** (NYSE: FD) and **Neiman Marcus** (NYSE: NMG), but did poorly because the stores didn't allow signage that would explain the depicted images, Coppola said.

"We were just another scarf stuck on the scarf rack," she said.

Someday she'd like to see a chain of stores that sold Sacred Silks exclusively, with the silks prominently displayed and their

origin explained. The home shopping channel **QVC** (NYSE: L) would also be an ideal venue, she said.

In the meantime, Coppola is grateful to have traveled the world — twice — to secure rights to the works and set up manufacturing, and to have met people that helped her further the business.

Said Coppola: "Miracle after miracle has happened to make this a reality."

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www.sacredsilks.com