



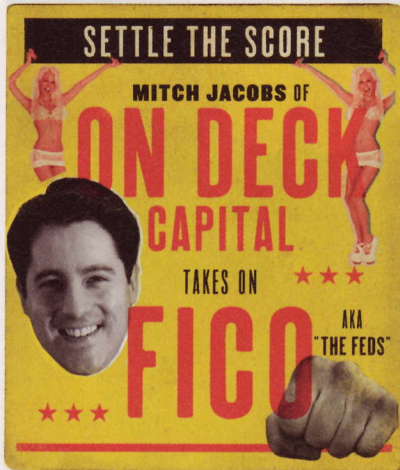
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BEST PRACTICES

DAVID VS. GOLIATH

Homemade gelato, shaving products for real men, and easy money: Three companies try to find their niche among the giants.

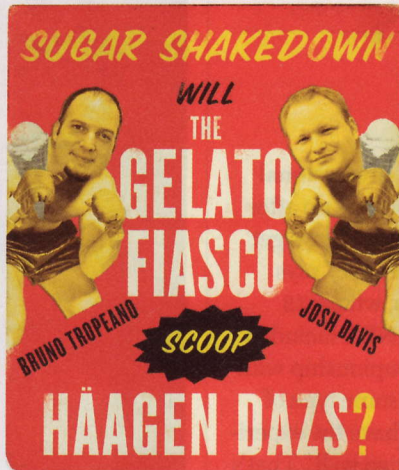
By Elaine Pofeldt



ON DECK VS. FICO

THE CHALLENGE: To loosen FICO's role in bank lending to small businesses.

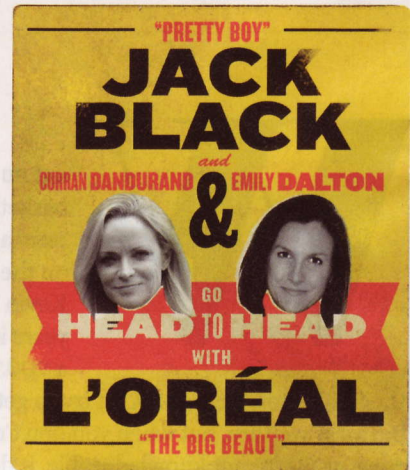
WHAT THEY DID: Small businesses have never had much luck with banks, largely because loan officers can't figure out if the businesses are creditworthy. Often such decisions are based on entrepreneurs' personal FICO credit scores. On Deck founder Mitch Jacobs, 39, is offering an alternative: a website that will give entrepreneurs an "On Deck score," which shows a business's ability—to the owner's—to repay its debts. The company will then be matched up with a lender through ondeckcapital.com, one of several such matchmakers. Entrepreneurs can get scored free through the site. Jacobs's company, based in New York, expects to turn a profit by year's end. The company offers its own loans. But these deals don't come cheap: 18% to 36% interest rates for loans that range from three to 18 months.



THE GELATO FIASCO VS. HÄAGEN DAZS

THE CHALLENGE: How to make a mark in the \$25 billion U.S. frozen-dessert industry.

WHAT THEY DID: This fast-growing Brunswick, Maine, company, founded only four years ago, now sells its all-natural gelato at 110 outlets, including Whole Foods. Its niche? Fiasco produces about 32 flavors a season, compared with five or six from its competitors. Its small, limited-edition batches have attracted a cult following of customers willing to pay premium prices of \$6.50 a pint, or \$4.21 for a small cup. Founders Josh Davis, 29, and Bruno Tropeano, 28, also know how to keep costs down. They've partnered with independent shops that distribute their gelato—avoiding the expense of opening many stores on their own. They expect to be profitable this year on sales of \$1.1 million (compared with \$732,393 last year). At more than \$4 a scoop, not a real shocker.



JACK BLACK VS. L'ORÉAL

THE CHALLENGE: Can a tiny shaving cream maker snatch shelf space from giant rivals?

WHAT THEY DID: Some men may never stray from traditional shaving cream brands like Gillette Foamy. But a growing number are trying pricier fare such as L'Oréal's Kiehl's and Estée Lauder's Lab Series. Jack Black, a Carrollton, Texas, manufacturer with only 25 full-time employees, is taking on the cosmetics giants with products like Beard Lube: a macadamia-nut-oil-infused shaving cream and skin treatment that retails for about \$16 for a six-ounce bottle. The company was founded 11 years ago by former cosmetics industry executives Emily Dalton, now 46; Curran Dandurand, 52; and her husband, Jeff Dandurand, 50. Jack Black, which expects 2011 sales of \$35 million to \$40 million, peddles its line in stores such as Neiman Marcus, Nordstrom, and Saks.