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Not your typical Avon lady

by [Baz Hiralal](#) | Published September 29, 2011 at 1:31 PM ET



While we cover large-cap deals and spotlight trends or interesting transactions in the middle market, the venture capital industry is also on our radar -- after all, that's where many eventual targets get their start. By traversing the lower-middle-market sector in general, one often does stumble upon interesting businesses that have the potential to become a major part of the dealscape. For example, Sequoia Capital recently entered the employee rewards market, which unbeknown to many is apparently a highly fragmented \$50 billion market.

But there's yet another type of business that's a cousin to the VC world: small business, perhaps not looking for an outside investment. Take the direct-selling market, which conjures up images of Tupperware parties or a reserved but perky 1940s gal knocking on doors to pitch cosmetics from Avon Products Inc., which now has a market cap of about \$8.6 billion. With the Internet and companies like Groupon Inc., you would think it's a sinking business model, or at least that there's not room for more players. But don't tell that to woman-to-woman direct seller [Pure Romance Inc.](#), which is quite different from Avon, at least when it comes to its products.

Aptly based in Loveland, Ohio, Pure Romance discretely bills its products as relationship and intimacy aids or "bedroom accessories." These are the kind of toys you won't find at a department store. It must make for some interesting initial conversations, even in this day and age.

What's more, it's run by a mother and son. Snickers aside, the company is no longer a small family business looking for footing.

The Backstory

In 1983, Patty Brisben was inspired by a segment on "The Phil Donahue Show," which featured women working as in-home direct-sales consultants. She eventually quit her job to become a full-time consultant, but after a decade the company folded. Brisben took it upon herself to take out a loan and form Pure Romance predecessor Slumber Parties, a "resource for women who wanted to take responsibility for their financial means, their sexuality, or both," according to the website. After more years of success, her son Chris Cicchinelli joined the company in 2000.

International Expansion

With her son's help managing day-to-day operations, the company now brings in about \$120 million a year and has more than 75,000 consultants throughout the U.S., Australia, Canada, Puerto Rico, South Africa and the U.S. Virgin Islands. Bridging cultural gaps abroad seems like a monstrous task, especially when it comes to topics of this nature.

It was only this month Pure Romance expanded into South Africa and Australia. The company admits these are two vastly different markets but reports that "surprisingly, the women of both countries are looking to the women of the U.S. to help them explore sexual health topics in a sophisticated way. Additionally, these women are excited to be working toward financial freedom." That last part is perhaps the most important key to bridging the gap.

Of course, as corporate dealmakers know, if the business gets big enough they have to beware of working through the sticky red tape of overseas regulation. In the meantime, the company looks to be on solid footing; it'll be interesting to see how they fair in the new markets.

Smartly, Pure Romance isn't just about sexual awareness but plays to broader issues women deal with, such as its work with the Young Survival Coalition, which raises awareness about breast cancer. The company wouldn't say if it has ever been approached for an acquisition or other investment, but it wouldn't be surprising if an Avon or L'Oréal SA were to show interest. Perhaps even the all-knowing Avon lady could use a few pointers.