Content & Calm to tackle US after surviving Dragons' Den

A gamble on Dragons' Den has paid off for children's product designer Solvej Biddle. But is her business, Content & Calm, ready to take on America?

Content & Calm founder Solvej Biddle: "If you've got a £25 product here that should be a $39 product in the US, it actually ends up being closer to $25 plus the cost of distribution. It's very difficult to make that work."

By James Hurley

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Why on earth would a serious entrepreneur want to appear on Dragons' Den these days? The series began to look tired a while ago, investments often come at a hefty premium that will see you part with a sizeable chunk of your business and high profile backing brings extra pressure but no guarantee of success.

When Duncan Bannatyne recently bemoaned the tough year his chain of gyms is experiencing, his assessment of his Den investments was frank: "None of them are doing great."

Former lawyer Solvej Biddle had more to lose than most when she appeared on the show in 2010 to present her TrayKit, a children's backpack that opens into an extendable "play tray". While that might sound like the kind of wacky inventor's fodder which characterises the show, Biddle had already secured listings in Mothercare for a different product, and her latest idea had piqued the interest of major retailers.

While the £80,000 Peter Jones and Deborah Meaden gave Biddle in return for 22.5pc of Biddle's business, Content & Calm, might sound a little pricey in that context, Biddle saw Dragons' Den as a calculated marketing gamble as much as a chance to secure influential investors.

It proved to be an inspired move. A Sainsbury's buyer, who was watching the programme, called her immediately, resulting in a deal to supply 109 of the supermarket's stores at the end of 2010. Biddle has since raised more money from private backers – bringing the total investment to around £250,000 – and her products are sold in Boots, Halfords and by British Airways as well as Sainsbury's and Mothercare.

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Distribution deals have brought export success in Scandinavia and Australia, with overseas sales expected to contribute 40pc of this year's projected £1m turnover.

With the company barely out of the start-up phase, Biddle is rolling the dice again with a plan to sell her products – which also include accessories for the TrayKit and a portable "blackout blind" to help babies sleep – in the US.

What makes her think she can succeed where even the likes of Tesco and Marks & Spencer have floundered? "It's a wonderfully lucrative market. It's also somewhere where if you get it wrong, it will ruin your business. But finding markets outside the eurozone is essential."

Using a distributor initially seemed like the obvious choice to tackle such a huge and complicated market. Biddle even came under pressure to do so when a US retailer told her: "We love your stuff but we're difficult to deal with. Use a distributor."

Then the 40 year-old looked at the margins. "You can't make a direct conversion from what you sell for in pounds to what it should sell for in dollars. America is good value and they bargain hard. That's why people shop in New York. But if you've got a £25 product here that should be a $39 product in the US, it actually ends up being closer to $25 plus the cost of distribution. It's very difficult to make that work."

Once a distributor's cut had been factored in, Biddle's hard-won deals with UK retailers started to look positively generous. While a simple solution would be to use cheaper materials, Biddle preferred to abandon the idea of a middle man altogether. Instead, she has won an agreement to sell under licence to one major US toy retailer while dealing directly with catalogue baby products business One Step Ahead.

Both sound like brave moves for such a small business – it has just nine employees – with one meaning sacrificing control and the other resulting in increased pressure on both cash flow and the company's Chinese manufacturing partner. Biddle doesn't believe there's any conflict in taking two different approaches to entering the same market, however.

"For the licensee, the One Step Ahead deal is another showcase, while the license deal itself takes some of our risk away. They will manufacture the products, they know the market, they have the relationship with the big retailers. The best case scenario is that they'll do a better job than I can do by myself. They've got 200 sales reps across the US – I'm me. And I've got other markets to support."

Content & Calm's manufacturing partner in China presents another headache. Biddle has so far mitigated relentless price pressure from her factory by signing guarantees for increased volume, but the clamour isn't going away. "It's going to be tricky," admits Biddle. "The pressure is week to week."

Some companies are moving production, either further north in China or to other emerging markets such as Vietnam, in response, but Biddle understandably sees this as a drastic step.

"We've looked elsewhere but the quality in China is very good," she says. "And it's a shame to move factories once you've got things how you want them. Having said that, the factories know this – it's one of the things I think they use to raise prices."

New markets mean more pressure to support retailers' own marketing efforts, so Biddle will be spending a lot of time on transatlantic flights in the coming months. Fortunately, she's already developed a knack for building a name without breaking the bank.

"People have become quite cynical about traditional media and, anyway, small companies can't afford to pay for it," she says. Instead, the company uses social media to target influential bloggers and sends its products out for media tests. "It's a risk but the hard sell is not an option for small businesses."

Biddle has also found a marketing initiative that taps into her customers' creativity without resorting to child labour: a recent competition saw children invited to design a character for a range of accessories that go with the Tray Kits. The winner's design will be sold in stores in the UK and US.

"It was so interesting to compare what we thought children wanted against what they really wanted," says Biddle.

She doesn’t appear to be faring too badly on that front herself. Does she ever regret her decision to leave the security of a career in law? “I miss the certainty of a normal job,” she says. “But no, I don’t miss it.”