

Carlos Rosillo



Building Bell & Ross

How two French guys named Bruno and Carlos adopted the American entrepreneurial spirit — and an American-sounding name — to create a watch company.

BY JOE THOMPSON

T

Carlos liked classical vintage pieces.

The lads went on to university and followed their career paths. Carlos got an MBA, worked for a consulting firm, and then joined an investment bank. Bruno studied at the Société Française d'Innovation Industrielle, a top industrial design school. They didn't know it at the time, but their true destiny



Bell & Ross's first hit was its Classic Pilot's watch of 1994.

was to become watch entrepreneurs. Belamich and Rosillo are in fact the Bell (from Belamich) and Ross (from Rosillo) who founded the firm of the same name in Paris in 1994.

That the name has a decidedly American ring is no coincidence. These two Frenchmen are Americanophiles. Belamich is a devotee of American product design of the Forties and Fifties and Rosillo is a fan of America's entrepreneurial business culture. Indeed, despite the French setting, there is a very American, Horatio Alger aspect to their story. In the past few years, Bell & Ross has become a hot brand on the strength of its Instrument collection, whose leader model, the BR 01 Instrument, debuted in 2005. But it wasn't always so. Their labor of love, now in its 16th year, flew below the watch world's radar for years and suffered a couple of identity crises before its dramatic mid-decade rebirth.

I. THE PROJECT

Bell & Ross began as Bruno Belamich's design school graduation project. The five-year program required students to do an internship and a major design project — the equivalent of a thesis — to graduate. Belamich interned with the Sinn watch company of Frankfurt, Germany. He loved the design of Sinn watches, which he first saw in a Japanese watch magazine. Sinn, founded by German pilot and flight instructor Helmut Sinn in 1956, specializes in pilots' watches. "I was automatically attracted to its clean design, which mimicked the instrument panel of an airplane," Belamich says of the typical Sinn dial. "I love black industrial objects and at that time [1992] there weren't many [watches] with a black dial or bracelet. I looked up Mr. Sinn and he took me on as an unpaid intern."

During the Sinn internship, Belamich decided that for his graduation thesis he would create a watch brand, designing the watches, a logo, the works. He told his friend Carlos, then working as an investment banker in Paris, about the project. As the project evolved, Carlos got involved, and the two friends hatched the idea to actually produce the watches Bruno was designing. They needed a brand name; Bruno suggested Bell & Ross, an American-sounding contraction of their surnames. Carlos loved the idea, but, typically, wanted to explore all options. They spent another three months coming up with 120 names for the brand; none was better than Bruno's original idea. What sealed the deal for Carlos was the logo Bruno designed; Carlos considered it a design masterstroke. "The logo symbolizes the watch," he explains. The capital "B" looks like a watch buckle, the ampersand in a circle represents the watch face, flanked by the names, which represent the strap. "What Bruno wanted was to integrate the symbol of the company, the ampersand, in the logo." Bruno also designed a collection of watches, the highlight of which was a round-cased pilots' chronograph watch.

To graduate, each student had to present the project to a jury for approval. As luck would have it, the president of the jury was the former head of the then-defunct French watch company Lip. To the shock of Bruno and Carlos, who attended the presentation as a guest, the president of the jury attacked Bruno's work. He criticized it as too commercial, violating the spirit of the de-



"YOU HAVE ZERO CHANCE OF SUCCEEDING IN THE WATCH BUSINESS," A FRENCH WATCH CEO TOLD BELAMICH.

sign project, and charged Bruno with naiveté and arrogance for daring to think that he could design an actual watch collection. Despite the jury president's opposition, Bruno's project was approved. At the end of the presentation, the ex-Lip executive approached Bruno and told him hostilely, "You have zero chance of succeeding in the watch business."

Years later, sitting in his office at Bell & Ross headquarters off Paris's Rue Saint-Honoré, Rosillo reflects on the incident. "This kind of thing does not happen in the U.S. system," he says. For him, a budding businessman, it was a sobering lesson. For a year he and Bruno had been seriously evaluating whether to launch Bell & Ross as a commercial enterprise. He was considering leaving his position at the bank to do it. "In the United States," he says, "the attitude is if you fail with talent, the next time you will succeed. Entrepreneurship in France is much more difficult. At the time, I had an American girlfriend. Her father started his company in California when he was 55 years old." Rosillo spoke to his girlfriend's father about his pending decision. "He gave me the good common-sense advice to live your passion, believe in it."

After the graduation, Rosillo said to his buddy, "Bruno, do we jump?" They jumped. "We said, 'OK, let's start to make it, to have fun in the business that we developed.' Then I left the bank."

II. THE CHANEL CONNECTION

They launched Bell & Ross in 1994 with the French equivalent of \$30,000. "We were 28 years old and had no experience starting a business," Rosillo says. Helmut Sinn helped. He encouraged the fledgling entrepreneurs, financed the production of their first 500 watches and continued to produce watches for them. In turn, Belamich continued to create designs for Sinn.

But the Sinn collaboration was a two-edged sword. Because Bell & Ross and Sinn both made "tool watches" for pilots and other professionals, and because Sinn actually produced Bell & Ross watches, Bell & Ross's identity was blurred. It seemed like a sub-brand of Sinn. The duplication of products and distribution created problems. The U.S. market was a perfect example. Sinn had a U.S. agent, a German, selling Sinn's rugged, utilitarian watches to retailers here. Then Bell & Ross en-



Bruno Belamich



tered the market with its own U.S. agent, a Frenchman, selling similar Bell & Ross watches to retailers and telling them, correctly, that the watches were made by Sinn. Says Rosillo, "Commercially, it was quite complicated. For the consumer, it was very confusing."

Still, Bell & Ross was launched, with the management structure that remains to this day. "It's simple," Rosillo says. "I manage the business and Bruno manages the creativity."

The brand's first hit was the pilots' watch, which was born from Belamich's passion for the "instrumentation" look. "This is the kind of product and design he likes," Rosillo says. "Since he was 18 years old, he has been collecting instrument watches and instrument panel clocks." It led to what the company calls its four design principles — precision, readability, performance and water-resistance — that define Bell & Ross's design aesthetic and corporate image.

As the business grew, Rosillo realized he had to secure financial backing. "I was in investment banking, so I knew that a venture capitalist wouldn't be right," he says. "They have a short-term view and we wanted a very, very, very long-term view." But where would he find that kind of investor? Fate intervened when an investment banker friend of Rosillo's said he knew people who might be interested in investing in the company for the long term. He made the introduction. Rosillo and Belamich were startled to learn that the potential investors were French businessmen who, among other things, were watch collectors who knew the brand and even owned Bell & Ross watches. Moreover, the businessmen had watch-industry connections. One of them, in fact, was the chairman of the factory in La Chaux-de-Fonds, Switzerland that makes Chanel watches.

The businessmen were Alain and Gérard Wertheimer, the brothers who hold the controlling interest in the French fashion house Chanel. Their grandfather, Pierre Wertheimer, was a co-founder of Chanel in 1924 and the family has held the controlling interest ever since. The Wertheimer brothers are among the world's richest people; their combined personal fortune is esti-

mated to exceed \$5 billion. Alain is the chairman of the board of Chanel, Gérard the chairman of Chanel S.A. in Geneva. The brothers are famously private. They own a few small non-Chanel brands and have interests in French vineyards and thoroughbred horses.

In 1997, the Wertheimers invested in Bell & Ross. In 2000, they increased their holding in the firm. (They remain minority shareholders, Rosillo says; he does not disclose the percentage of their holding.) The Wertheimers gave Belamich and Rosillo a welcome infusion of capital, but, more importantly, autonomy. Their investment enabled Bell & Ross to cut the complicated umbilical cord with Sinn. That's because Chanel, famous for perfume and fashion, had successfully diversified into watches in 1987. In the early 1990s, Chanel acquired the La Chaux-de-Fonds watch factory G. & F. Châtelain S.A. as a wholly owned subsidiary to make Chanel watches. Gérard Wertheimer is the chairman. Châtelain, with a staff of just under 200 employees, makes cases and bracelets and assembles watches. In 1998, Chanel upgraded and expanded the Châtelain factory to 7,250 square meters. Soon all Bell & Ross watches were produced there.

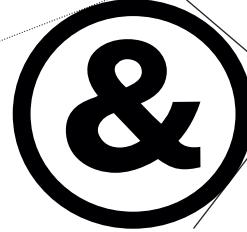
The Wertheimer investment was a turning point for Bell & Ross, Rosillo says. "The Wertheimer family said, 'It's time for you to have autonomy. We're going to get you the capital and give you the capacity to have real autonomy in terms of finances and in terms of production.'"

Bell & Ross entered the new century with new capital, a new link to a powerful production team, and new hope to break out of the ranks of small, niche brands.

It didn't happen.

III. IDENTITY CRISIS

In 2000, the Internet bubble burst. Then came the 9/11 attacks and a recession in major markets. "From 2001 to 2004 were tough years," Rosillo says. By 2004, the company's 10th anniversary, Rosillo was worried. "Our positioning, our field of expertise was always the same," Rosillo says. "I thought, we



1

2

3

4

Models from the BR 01 Instrument collection:

- 1) BR 01-93 24H GMT
- 2) The limited-edition (500 pieces)
BR 01 Instrument Phantom
- 3) The chronograph version, BR 01-94,
in rose gold and carbon case
- 4) BR 01-92 Orange



The BR Instrument Grand Tourbillon's features include hours, minutes, seconds, a 10-hour chronograph, a power reserve, and a tourbillon.

Bell & Ross ladies' watches, like the BR-S Phantom Instrument Ceramic, come in a 39-mm case.



have a good direction but in this market crisis, something is missing." The problem was that by then their star item had become an industry staple: everybody and their mother had a pilots' watch that looked more or less like theirs. While they had a range of models in various collections (Professional, Vintage, Classic, etc.), they had lost their hero model and their identity.

Rosillo knew that only one person could solve the company's identity crisis: Bruno. So he had a heart-to-heart meeting with his partner about the future of the firm. Rosillo told him that they needed to rediscover and redefine their beloved brand and that it had to start with him. He challenged and coaxed his friend to use his formidable design skills to fix the firm. He vividly remembers the conversation. "I told him 'Bruno, you obsess about making the most beautiful watch. But the watchmaking industry does not need you to make the most beautiful watch, because this

watch probably has been made. In terms of classical watches, when you see a Patek Philippe Calatrava, you cannot do better. I am sorry, it is not possible. The Calatrava was perfection. Bruno, the point is not to make the most beautiful watch, the point is to make the watch that can only be a Bell & Ross. What is the base of Bell & Ross? Our icon is the instrument panel clock. We must go back to our roots. What are our roots? What is the first page of our catalog for 10 years? The instrument panel clock. Why don't we go deeper and transform the instrument into a watch?" Rosillo was asking a lot. He wanted, in effect, a design miracle: a new watch that would be an instant icon and magically redefine and reinvigorate the brand.

What was Belamich's reaction? "He got it right away," Rosillo says. "He immediately started to design it."

What he came up with was the BR 01 Instrument.

ROSILLO BEGGED BELAMICH FOR A DESIGN MIRACLE — AN INSTANT ICON THAT WOULD MAGICALLY REDEFINE AND REINVIGORATE THE BRAND.

IV. BUZZ

With the BR 01 Instrument, Bell gave Ross exactly what he asked for: an instrument-panel clock for the wrist. And, just as Ross predicted, it was a game changer for the brand.

The watch has a 46-mm-square case and comes in four versions: three-hand, chronograph, large date, and power reserve. It is powered by ETA movements and has all the elements needed for military applications: screw-down crown; photoluminescent hands, numbers and indices on the dial for night reading; nonreflective sapphire crystal; 100-meter water-resistance and leather or heavy-duty synthetic straps. Prices ranged (and still range) from \$3,000 to \$10,000, with an average price of around \$4,500.

The BR 01 was an instant hit and put Bell & Ross on the map, particularly in the United States. The key, Rosillo says, is its simplicity. “Bruno made it so simple, so basic that I think the design will last. His talent was to make something that is straight to the point, to be able to explain the brand in one product. You don’t need a speech to explain what it is. No story. You see the watch and you understand the whole thing. What the BR 01 did for us was to introduce the brand in a very simple way that explains who we are.”

The company quickly expanded the Instrument line with the BR 02 series of 44-mm, tonneau-cased divers’ watches and the BR 03 series of aviator watches modeled on the BR 01 but smaller (42-mm diameters). It expanded the range with a variety of case metals (titanium, carbon, gold) and dial colors (white, black, orange, blue). It also launched limited-edition, complicated pieces like the BR 01 Tourbillon Classic (\$140,000) and Tourbillon Phantom (\$150,000); and the BR Instrument Grand Tourbillon (\$200,000). The limited-edition, all-black BR 01 Phantom watch of 2006 (500 pieces), with a carbon-finished steel case, has become a collectors’ item.

Says Rosillo, “With the BR Instrument, we re-invented ourselves. We were reborn.” That’s especially true in the U.S., where Rosillo says sales jumped by a factor of 10 in the two years after the BR 01 was launched. (Bell & Ross is privately held and does not disclose sales or production data.) Today, the Instrument collection accounts for 80 percent of Bell & Ross sales in the U.S., according to Stacie Orloff, president of Bell & Ross USA. Rosillo hired Orloff, a respected watch industry veteran, as president of Bell & Ross USA in 2008 as

Bell & Ross watches are produced at the Chanel-owned G. & F. Châtelain factory in La Chaux-de-Fonds, Switzerland.



part of a U.S. market push. They launched a major marketing program that has significantly raised the brand’s profile. Two examples: In a 2008 episode of the TV show “Boston Legal” in which William Shatner’s character tries to join the Coast Guard, he wears the BR 01-94 chronograph watch. It was not a product placement; Orloff says the firm had no idea Shatner had the watch.

More indicative of the brand’s new status was a December 2009 article in the Style section of *The New York Times* (“Status Symbols in Lower Key”) with a *Times* photograph of watches from a number of America’s power brands. Nestled among watches from Rolex, TAG Heuer, Cartier, Omega and IWC was Bell & Ross’s BR 01-93 GMT. Not bad company for two guys that a French watch bigwig predicted would never make it in the watch biz. ○