

SMALL BUSINESS MATTERS

Co.'s `social' talk not just yakkin'

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There are 13 million yaks in Western China, each sporting a downy coat that can be turned into the sort of soft yarn that the growing number of serious knitters crave.

The big problem is the hundreds of miles between those hardy beasts and those needle-wielding crafters. It doesn't help that many knitters don't yet realize how much they want the yarn.

The founders of Shokay Co. have chosen a complicated business model that requires them not only to meet a demand but to create it.

The advantage they have is that knitting is undergoing a renaissance as a new generation discovers the ancient art. Although few may realize there is such a thing as yak yarn, this new wave of knitters is keenly interested in exotic fibers. Yak yarn is comparable to cashmere, according to those who have knit with it, and it is machine washable.

Carol Chyau and Marie So discovered the great qualities of the fiber when they were in China searching for a business idea a few years ago. At the time, they were students at Harvard University's John F. Kennedy School of Government.

"We were looking for a business and we were looking to help out socially," Carol said. "We wanted a for-profit enterprise that is profit making, but not profit maximizing. It had to have financial returns but at the same, it had to have a social impact."

Yaks, sometimes called Ships of the Plateau, are used largely as pack animals. They can carry a load of 130 pounds up rocky mountainous paths. They are tended by Tibetan farmers much as they have been for generations.

Many of them are poor, subsistence farmers with little ability to generate a cash income given their distance from urban areas.

Chyau and So learned about a group that was teaching the herders to make a Western-style cheese that could be exported.

That got them thinking about what could be done with other yak products.

Yarn is easy to transport and easy to store. The fiber to make the yarn comes from combing the yaks so it's renewable. Their plan was solid enough to win the social enterprise track of the Harvard Business School Plan Contest. The \$10,000 prize turned out to be their needed seed money.

Chyau and her partner could have focused on the good intentions of the company, hyping the potential benefit to the farmers. But they decided instead to focus first on the product.

The company's catch phrases are "Luxury with a Story," and "Style with a Touch of Humanity."

"We're glad we did, because while people talk about being socially responsible, a lot of it is just talk," she said.

They have added a line of luxury scarves and throws to appeal to the fashion forward who may not knit. Baby items are coming soon.

The Shokay offices in China are filled with a colorful yarn inventory, a library of knitting books, numerous knitted samples and bags of yak fiber. But the owners spend little time there.

They are usually either visiting the suppliers or on the road trying to raise awareness about their unusual product.

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