

HIDE-YOUR-BELLY-FAT FASHION, P. 35

# MORE

UNSINKABLE  
**KATIE  
COURIC**

HER  
SECRETS  
TO BOUNCING  
BACK

125  
NEW  
WAYS  
TO  
REINVENT  
YOUR  
LIFE

*Plus*

HOW MUCH  
MONEY IS  
ENOUGH?

LIVING  
WITHOUT A  
TO-DO LIST

MAKE OVER  
YOUR  
METABOLISM  
REAL WOMEN,  
AMAZING RESULTS

ANTI-AGING  
BEAUTY  
BEST NEW  
AT-HOME  
TREATMENTS

HOW TO BE  
EMPLOYABLE  
IN 10 YEARS

FEBRUARY 2013  
DISPLAY UNTIL FEBRUARY 26



\$4.99 MORE.COM

## When the world says no

Romi Haan couldn't get anyone to buy into her invention. But she pushed through failure—and now runs a thriving global business

BY ALISON OVERHOLT



Romi Haan knew becoming an entrepreneur was risky. It meant navigating her father's disapproval, abandoning her secure and prestigious career at South Korea's Ministry of Education and accepting the social isolation that went with being a woman in the male-dominated Korean business world. But she never imagined that the challenges would include facing down a man who brought an ax to a meeting.

The ax wielder had been purchasing steam cleaners in bulk from Haan's still-struggling company using a discount intended for corporate gift programs. He was behind on his payments to the tune of \$300,000, so she'd done some digging and discovered he wasn't affiliated with any firm. Instead, he was illegally reselling the appliances on the Internet for a profit and siphoning off Haan's legitimate online sales. In a strange way it was a compliment that after the five years she had spent getting her eponymous company established, HAAN steam cleaners were enough in demand that a swindler would target them. Haan hoped that by confronting the man at a café near her Seoul office after work one evening in 2004, she would embarrass him



>> When Haan, shown here at her Seoul, South Korea, warehouse, introduced her steam cleaners in the U.S. on QVC, they sold out in six minutes.

into paying his debt and stopping the illegal sales.

Instead, after ushering her into the inside seat of a two-person corner booth, with privacy curtains shielding them from view, the man pulled an ax out of his briefcase and set it on the table. "The head was huge, but the handle was small," says Haan, 48. "That's how he fit it in there."

She tried to leave, but the man blocked her exit and, with the hatchet on the table between them, demanded that she continue supplying him with her product. For the next three hours, they faced off across the table, tensely but quietly. "He always came back to the same subject, and I kept coming back with the same answer: We can discuss it tomorrow, at the office," Haan says. Finally, just after midnight, the café closed and the two left, along with the other patrons, who were unaware of the strange showdown that had taken place. Haan sued the man to recover the money he owed her (she had no evidence to file criminal charges), but even though she won, she was never able to collect on the debt.

Thinking back, this soft-spoken woman with the easy smile says she knows she should have called for help or summoned the police, but she froze: "I was just too busy trying to pretend I wasn't scared." Maintaining an un-ruffled front in the face of setbacks and confrontations—though no others as dangerous as this—had become second nature since she began her entrepreneurial journey in 1998. Moreover, Haan learned two valuable lessons that night: First, she was tougher than she had ever imagined. And second, if a man wanted her products badly enough to set up an online swindle and threaten her with an ax, she was definitely on to something. In fact, Haan was building a \$150 million international consumer-products company on the back of one very simple idea: It was time to make a better mop.

Haan's enterprise was conceived one morning nearly 15 years ago as she was on her hands and knees scrubbing the floor of her apartment in Seoul—something she did morning

and night, every single day. "In Korea we do everything on the floor: We eat on the floor, we sleep on the floor, the kids play on the floor," she says. "Having a clean floor is a very big deal." And the twice-daily scrubblings fall to the women. Haan's husband, Namsuk Koh, a salesman for an educational-toy company who (unusually for his gender and almost unheard of for his generation) often pitched in on household chores, had declared floor cleaning off-limits. He once told her, only half-joking, "Men are not ergonomically designed to be on their hands and knees to clean the floor."

With her demanding job—as a deputy director at the Ministry of Education—and two young sons to care for, Haan found it hard to make time for all that scrubbing. "One day it came to my mind: Maybe I can put a rag underneath an iron or something that boils water," she says. Add a handle, Haan thought, and she could get the same intense scrubbing but with more sanitizing power. "It would be like a mop but cleaner. And it would be easier than being on your hands and knees," she says. "The product I envisioned looked so simple. In an era of rocket science, how difficult could it be to make?"

Haan had no background in engineering or manufacturing: She'd studied French in college, and in her early twenties she used that to land a job in the press office of the International Olympic Committee's headquarters, in Switzerland. Later she went to California State University for her MBA and lived in the L.A. area for several years, working in commercial real estate and the import business before returning to South Korea and taking the civil service exam. Then, after her day's work was done and the kids were asleep, she spent long hours talking through the idea with her husband and researching what it would take to produce a prototype. An engineer friend of a friend estimated \$50,000 and six months and offered to do it. The figure was the equivalent of a full year's salary at her government job, but Haan believed in her idea. "I thought, If I don't do this,

nobody will—and I was determined to liberate the Korean housewife."

Though it was unheard of for a woman to start her own company in South Korea, Haan's husband supported her venture. "We got married when we were really old by Korean standards. He was 40 and I was almost 33, so he thought I was the greatest creature in the world," she says, laughing. "He'd say, 'Whatever you do, you're going to do well.'" So in 1999 Haan quit her government job and took out a \$100,000 mortgage on the home she and her husband owned. But after six months the prototype wasn't finished. And when it was, after a year, Haan had to face the fact that it simply didn't work. Steam irons and portable garment steamers—their inspiration—required only a tiny quantity of steam to work. The power needed to create enough steam to clean a floor was

## Running the numbers

60

Number of minutes it takes to scrub the floors of three rooms the old-fashioned way

15

Number of minutes it takes to steam clean the floors of three rooms using a HAAN cleaner

6–8

Number of on-air minutes a new business gets to sell its products on QVC

One million

Number of steamers sold by HAAN worldwide in 2011

\$59.95

Retail price of the basic HAAN AllPro Handheld Steamer for cleaning countertops

## IMPORTANT SAFETY INFORMATION FOR RADIESSE® VOLUMIZING FILLER

**Contraindications:** RADIESSE® Volumizing Filler should not be used in patients with bleeding disorders or in patients with severe allergies manifested by a history of anaphylaxis, with a history or presence of multiple severe allergies or with a history of hypersensitivity to the components of RADIESSE® Volumizing Filler.

**Warnings:** RADIESSE® Volumizing Filler should not be injected into blood vessels. Use of RADIESSE® Volumizing Filler in any person with active skin inflammation or infection in or near the treatment area should be deferred until the inflammatory or infectious process has been controlled. The safety and effectiveness for use in the lips has not been established. There have been published reports of nodules associated with the use of RADIESSE® Volumizing Filler injected into the lips.

**Precautions:** Safety for use during pregnancy, in breastfeeding females or in patients under 18 years has not been established. As with all skin-injection procedures, there is a risk of infection. Patients using medications that prolong bleeding, such as aspirin or warfarin, may, as with any injection procedure, experience increased bruising and bleeding at the injection site. Patients should inform their physician if they are using such medications. Patients should minimize exposure of the treated area to extensive sun or heat exposure for approximately 24 hours after treatment or until any initial swelling and redness has resolved. Safety and effectiveness in the periorbital area has not been established. The safety of RADIESSE® Volumizing Filler in patients with a susceptibility to keloid formation and hypertrophic scarring has not been studied. Patients with a history of previous herpetic eruption may experience reactivation of the herpes.

**Adverse Events:** After injection, patients may experience redness, bruising, swelling or other local side effects. Most side effects of treatment resolve within a few days. More rare side effects may include swelling that lasts longer, unevenness or firmness in the area injected.

**Important:** For full safety information, please visit [www.Radiesse.com](http://www.Radiesse.com) or call Merz Aesthetics Customer Service at 866-862-1211

### Caution: Rx Only

<sup>1</sup>Berlin A, Hussain M, Goldberg D. (2008) Calcium Hydroxylapatite Filler (RADIESSE®) for Facial Rejuvenation: A Histologic and Immunohistochemical Analysis. *Dermatologic Surgery*, Volume 34, S64-S67.

<sup>2</sup>Moers-Carpí M, Vogt S, et al. (2007) A Multicenter, Randomized Trial Comparing Calcium Hydroxylapatite to Two Hyaluronic Acids for Treatment of Nasolabial Folds. *Dermatologic Surgery*, 33 (2S), 144s-151s.

<sup>3</sup>Bass LS, Smith S, Busso M, McClaren M. (2010) Calcium Hydroxylapatite (Radiesse) for Treatment of Nasolabial Folds: Long-Term Safety and Efficacy Results. *Aesthetic Surgery J*, 30 (2): 235-238.

## Second acts

WHEN THE WORLD  
SAYS NO

exponentially bigger. Haan had to start over, but she was out of cash.

"My in-laws knew what I was going through," says Haan. During the family's regular weekend visits, her mother- and father-in-law noted the circles under her eyes growing darker, her face becoming increasingly drawn. One night in 2000, as the family sat in her in-laws' living room, Haan's father-in-law handed over the deed to his home. "It was a sign telling me, 'We trust you.' My father-in-law never doubted that we would be successful."

Using her in-laws' house as collateral, Haan took out a second \$100,000 loan. With a new engineer working on the project, this time the product was built around the type of heating element now common in electric kettles, which can safely boil a quart of water in less than 30 seconds. It worked. Haan had her appliance, which looked like a lightweight stick vacuum but produced steam from a small water tank. She was also savvier about how much money it would take to manufacture and launch her steam cleaner, so she went in search of more funding—and hit her next obstacle.

South Korean women in business were a rare breed (they are slightly less so now); women inventors and entrepreneurs were rarer still. After applying for one government venture-funding program, Haan was interviewed by a loan officer who thought she couldn't possibly be running a real company—he called her a "trouser CEO," a derogatory term for women who operate as false fronts when their husbands aren't able to obtain funding on the strength of their own credit. "He came to my office, sat down and said, 'Why don't you just tell me what kind of business he bankrupted that you're trying to cover for?'" she says.

Haan didn't get that grant. But she eventually landed \$200,000 in government loans, and by 2001 she had 10 employees and the first batch of products—3,000 units. "Then, during the quality test, we found out that about 10 percent of the cleaners would leak within the next three or

four years," she says. Haan trashed the entire production run and began again from scratch.

Meanwhile, it was time to persuade South Korean stores to carry the device. The problem was, all the buyers were men. "Even the lingerie buyers were men!" says Haan. When she pitched the buyer for one department store chain, his gaze began wandering halfway through the 30-minute demonstration. At the end of her spiel, she was dumbfounded to hear him repeat the question he'd started with: "Why would anyone buy a steam cleaner when we have vacuum cleaners?"

Haan channeled her frustration into working harder. She began selling HAAN steam cleaners directly to her female target audience, using no advertising and relying only on word of mouth. It was thrilling for her to see how quickly the product clicked. By 2003, the company's revenue was about \$6 million. "We did pretty well as a small company," she says. "But we were still not making a profit. When you introduce an appliance, you need a lot of people. You need R&D, quality control, production, sales." Another infusion of cash came that year from her father. He hadn't approved of her venture when she began and still didn't think she had done the right thing by jumping into the risky world of entrepreneurship. But he wanted to support his daughter. So he gave her the deed to his house, and she took out another \$100,000 mortgage, bringing her total start-up investment in HAAN to half a million dollars.

And then, right around the time the guy with the ax showed up at that coffeehouse meeting, she broke through with a slot on Korea's Home Shopping Network television channel. "I cold-called and pitched," she says. Haan sold 2,000 steam cleaners in her first hour-long appearance. The channel booked her for future on-air sales, and the public began to clamor for the steam cleaners. She increased production, and on November 30, 2004, HAAN turned a profit for the first time. »

"That's when I realized, I'm going to survive," she says. Sadly, her father never knew she'd made her dream come true. He'd passed away earlier that year.

For the next two years, HAAN continued to grow in Korea. In early 2007, ready to try her fortunes in the U.S., Haan cold-called QVC. Megan Flanagan, the QVC assistant buyer who took the introductory meeting with her, needed little convincing. Flanagan and her colleagues had noticed that their customers—mostly female—were increasingly seeking nonchemical solutions for their cleaning problems. HAAN steam cleaners fit the bill. But even better, says Flanagan, "she had a story to tell." In September 2007, the cleaners sold out in six minutes during an afternoon slot. Haan went back into production immediately. Her product has been selling on QVC ever since, with new models introduced each summer. It became typical for HAAN to

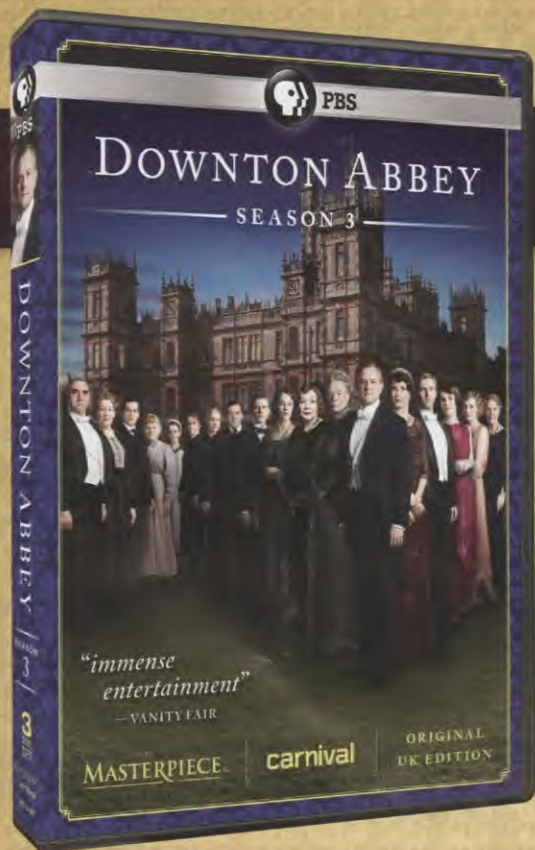
sell 20,000 steam cleaners in a single special-event appearance.

Today the woman who once struggled to explain why anyone might want a steam cleaner oversees the production of multiple models, ranging from small handheld devices to deluxe appliances with various attachments. She sells them in 10 countries, and in fall 2012 she launched exclusive models in Target. She's now using her technological and manufacturing know-how to test a steam-activated skin-care line. Last year her husband joined the company full time as its chairman. Haan has set up her U.S. headquarters in Lancaster, Pennsylvania, that bastion of Amish culture that also happens to be home to QVC. Haan now splits her time among South Korea, China and the U.S. and recently enrolled her oldest son in a Massachusetts boarding school.

In South Korea, her status as the

country's most successful female entrepreneur and one of its few female inventors makes her a sought-after speaker. That perch helped Haan raise awareness about her experiences applying for loans and grants in her native country and trying to sell to an all-male retail establishment. There are now more female evaluators for business-lending programs and more women buyers in the country's retail sector. A South Korean professor and consumer advocate has gone so far as to say that since the introduction of the Western kitchen, Haan has done more to improve gender equity in Korea than any other person. But perhaps the thing Haan is happiest about: Thanks to her steam cleaners, now even husbands are scrubbing the floors. ✱

ALISON OVERHOLT has written for *Fortune*, *Fast Company* and *O: The Oprah Magazine*.



## OWN SEASON 3 ON DVD or BLU-RAY

- ✱ Original UK edition
- ✱ Includes more than two hours of bonus video

AVAILABLE IN STORES JAN. 29

SAVE 20% on your shopPBS.org order of \$69+!

Use promo code MOREMAG13 at checkout.

