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PREMIUM CIGARS



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REDEFINING

EXCELLENCE

El Septimo Cigars is on a mission to offer
the ultimate smoking experience.

BY STEPHEN A. ROSS

In the biblical story of creation, which is told in the first chapters of Genesis, God created night and day; the heavens and the earth; dry land and sea; plant life; the stars, sun and moon; the birds and sea creatures; every kind of wildlife and humanity—all in six days. At the end of each day's work, He surveyed His creation and declared it good. On the seventh day, He rested from all the work that He had done. Only God knows how He spent His day of rest, but Zaya S. Younan—the tremendously successful businessman and owner of La Grande Maison Younan Collection, which includes El Septimo Cigars—likes to think that maybe, just maybe, He might have relaxed with a cigar. The Great Creator's seventh day of rest and relaxation is indeed the inspiration for El Septimo Cigars.

In Latin, "El Septimo" means "the seventh," as the brand's entire reason to exist is to help discerning cigar connoisseurs maximize their moments of relaxation with only the best cigars possible. Since it was founded in 2005, the Swiss-based company has gone to great lengths to redefine the standards in making an excellent cigar. El Septimo Cigars is a brand of ultra-premium, luxurious cigars that encompasses more than 40 different variations—many of which are cigars with ring gauges of 50 or more to contain all of the tobaccos necessary to blend the elegant but complex flavors and aromas for

which El Septimo Cigars are known throughout the world. Younan is betting that the brand's popularity in Europe and Asia will also be replicated in the United States. A cigar smoker for 30 years, Younan came across El Septimo while visiting Paris a few years ago. Upon finishing that El Septimo cigar, Younan declared it good—so good, in fact, that he bought the company a few years later.

"Smoking that El Septimo was an incredible experience," Younan explains. "On the flight home from Paris, I couldn't stop thinking about it. When I got home, I tried smoking my other cigars, and I could not forget the flavor and experience I had when smoking an El Septimo. It is an exceptional cigar, and nothing I have had comes close to it. The product was never marketed in the United States until now, so American cigar smokers are now learning about El Septimo, and I'd like to invite every one of them to do one thing: Just try one, because I know they're going to love it."

Where Passion is the Driving Force

After a few years of negotiations with El Septimo's previous ownership, Younan bought the company in March 2019, thus adding it to his growing collection of luxury businesses. Younan is the chairman and CEO of The Younan Company, a private equity firm with the subsidiary companies Younan Properties, a commercial real estate ►



El Septimo Continued

management company that owns and manages office buildings in the 10 largest U.S. cities; and La Grande Maison Younan Collection, which includes hotels, resorts, golf courses, a luxury design firm, wine and spirit companies, and El Septimo Cigars. Younan devotes more time to El Septimo's daily management—with it being the smallest of all the companies he owns—than any of his other companies because it's the one business that's the closest to his heart.

"El Septimo is the smallest company I own, and yet I'm the most active in it because I love the product," Younan says. "I'm very active in the daily management and new product development, many of which we will be introducing very soon. Luxury products like El Septimo cigars enhance people's lifestyles and make the world a better place. My career focus has always been making the world a better place for everyone."

Indeed, Younan obtained a degree in mechanical engineering from the University of Illinois in 1985 and then began working for General Motors (GM). While at GM, Younan spearheaded the development of airbags for automobiles and spent much of the early parts of his career perfecting the devices and working on other inventions, such as keyless entry systems, navigation systems and variable temperature seats, just to name a few.

"I was one of the original inventors of the crash sensor airbag," Younan says. "It started as an experiment, as I wanted to do something that could save the occupants' lives no matter how fast they drove into an obstacle. That's how the concept came up. I would be doing my own family good if I could somehow impact the world in a way that would benefit everybody. It became an unbelievable drive and mission of mine to continue to try to improve the world."

He was fast-tracked in GM to managerial positions in all of the company's business segments. He then moved on to Johnson Controls when he was just 24 years old to build 15 production plants for automotive components. By the early 1990s, venture capitalists and investment bankers were recruiting Younan to lead various endeavors, which included software companies, consumer electronic products, aerospace companies, and businesses within the oil and gas industries. In 2001, he established Younan Properties, a commercial real estate firm. Within six years, it was worth \$4 billion and became the largest private real estate company in the U.S.

"My engineering education allowed me to become an innovator and

a great problem solver," Younan explains. "I learned that every problem has a solution, and the challenge is trying to find it. I have also had a lot of passion and drive. It is really easy to make a transition into a different industry and achieve success when you have that passion and drive, especially when you start with nothing. Every incremental gain is fuel to drive more success. What really drives me in life in general is doing things that others cannot do or have not been able to do. That combination of things has allowed me to get into new industries that I haven't been in before, learn them, master them and operate very successful businesses in different sectors."

While Younan has done a mighty amount of good with inventing products such as airbag systems—an invention that has undoubtedly saved millions of lives—he's drawn to the luxury and leisure industries for their ability to improve the *quality* of people's lives. Since 2015, Younan has expanded his business interests by venturing into the luxury and leisure realms within the European market. Time spent luxuriating at a resort or playing golf has a remarkable ability to recharge one's energy. A glass of champagne or a fine wine with a cigar can make memorable moments celebrating with friends even more remarkable—but luxury products and experiences can offer so much more.

"Luxury experiences can provide a unique experience to people, especially when dealing with circumstances like the global [COVID-19] pandemic," Younan remarks. "It gives us hope that soon we will be able to enjoy the finer things in life again. It gives us something to look forward to so we don't lose hope during these difficult times. We have had difficulties in the past, and what got us out of them is people focusing on living their lives, solving the problems and moving forward. Providing these luxury services gives people hope."

The hotels, golf resorts, restaurants, champagne and wine vineyards, and El Septimo Cigars that Younan owns all offer people unique and premium products and experiences. Before the pandemic, people desired—and just as surely after the pandemic ends people will continue to desire—experiences that give them memories that will last for a lifetime. Younan became interested in the luxury goods and hospitality industries because they are a growing business sector worldwide. Possessing these companies and properties will allow his own company to offer its customers a complete package of luxurious escapes from the demands of their everyday lives and adds value to the services and products Younan provides. ►



El Septimo
Geneva

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“My business philosophy has always been to be involved in a business that we can add value to and evolve,” Younan explains. “I would never get into an industry that is perfect because where can I add the value? We do things for our passion and not profitability. When you do things for the passion, profitability always arrives later. It always starts with a different way of thinking and a better way of working to achieve superior results. The challenge is always execution, and everyone in the organization needs to adopt the idea that there is always a better way of doing things.”

El Septimo’s Better Way

When he purchased El Septimo Cigars in March 2019, Younan did so not only because he loved the company’s cigars but because he saw that he could add value to it. El Septimo was already standing on a firm foundation of success. The company had its own tobacco farm in the mountains surrounding San Jose, Costa Rica. The rich soil of the volcanic mountains had previously been untouched by tobacco growers and offered El Septimo’s agronomists and tobacco growers fields rich in nutrients. The farm’s high altitude also offered the perfect climate with the ideal natural humidity for tobacco growing without the need for fertilizers, herbicides and insecticides, whose use could potentially affect the tobacco’s flavor and aroma. El Septimo’s previous owners had constructed a cigar lineup of luxurious smokes made from the organic tobacco it grew. These blends, composed of tobaccos aged anywhere from five to 15 years, offered unparalleled flavorful and aromatic cigars with the rich and creamy taste that discerning cigar connoisseurs like Younan demand.

“We plant our own seed every year,” Younan says. “We touch each plant with our own hands and watch it grow with lots of attention and love. We age the tobacco ourselves. We blend and hand-roll the cigars ourselves. We are very heavily involved in all the processes of making cigars, and that is one of the big advantages of El Septimo.”

Before Younan purchased El Septimo Cigars, the brand was only available in a few retail shops in Europe and Asia as well as on the El Septimo website. Younan’s immediate goal is to expand both El Septimo’s presence in the market and the company’s product offerings.

“My goal for the company is to grow the brand in the U.S., as we are in the process of gaining [U.S. Food and Drug Administration] approval,” Younan says. “El Septimo is the world’s most exclusive premium cigar. All we have to do is have people try it, and then they can tell the difference instantly. We are working on getting our product into the U.S. market through retailers and cigar lounges—but not to everyone because our product is very unique and special, and that really needs to be explained to customers so they understand what they’re buying. The brand is very well-known globally but not in the U.S. at this time. The U.S. is the biggest market in the world, so our focus is to grow the brand in the U.S. Initially, we are going to offer El Septimo to one retailer per state. It is a product that is so good that it doesn’t need to be pushed on the market but will be pulled by the consumer. We don’t need to have El Septimo for sale at every cigar lounge or cigar store—it is not Coca-Cola, and it never will be. We want the



**We touch
each plant with
our own hands
and watch it
grow with lots
of attention
and love.**



—Zaya S. Younan

pull to have it available in every state so that when people try it there is one place they can buy it from. After that, we will grow our distribution network to other stores, but within the next 12 months we want to have El Septimo’s cigars available in one retail shop per state.”

El Septimo’s approximately 40 different offerings are split into five segments, each of which contains a variety of selections and is largely defined by the age of the tobacco that is used in making the cigars—The Zaya Collection, The Luxus Collection, The Travel Time Collection, The Alexandra Collection and The Gilgamesh Collection.

The Zaya Collection cigars are made using high-quality tobaccos that are aged between five and 15 years. The Zaya Collection consists of seven different cigars that range in strength profile from mild to full-bodied and offer an array of flavor notes and an overall creaminess.

The Luxus Collection uses tobaccos that have been aged for five to 15 years and consists of six different cigar lines that encompass 17 different cigars. Like The Zaya Collection, The Luxus Collection cigar lineup includes mild, medium- and full-bodied options and offers smokers a variety of flavor notes.

The Travel Time Collection pays homage to Paris, Lebanon and New York City with limited editions made with maduro wrappers and blends of five-year-old tobaccos that offer medium-bodied cigars that are slightly sweet and offer a spicy flavor profile.

The Alexandra Collection is offered in two variations—the Coco and the Marilyn—and was created exclusively for female cigar smokers. The Alexandra Collection’s blends were constructed after Younan commissioned research and testing into what flavors and strengths women prefer when they smoke cigars. The Alexandra Collection cigars tend to be mild in strength but offer complex flavors that vary throughout smoking the cigar as well as a pleasant aroma. While The Alexandra Collection cigars were made exclusively for women, they have also been a popular choice among El Septimo’s male cigar consumers.

“The Alexandra Collection is the first of its type,” Younan explains. “Many years ago, there wasn’t a single woman who was a sommelier in the wine world, yet today 53 percent of sommeliers are women. Biologically speaking, women have better-developed palates and senses of smell and taste. Harvard and the University of Brazil studies confirm this. When I used to smoke a cigar, I would find it very good for me, but my wife found it very strong. We had some of our analysts study this issue, and we found that women identify odors and tastes at concentrations up to 11 orders of magnitude lower than men at increasingly diluted concentrations due to the fact that women have 43 percent more cells and 50 percent more neurons than men in the olfactory centers of the brain, thus giving them more taste buds with a heightened sense of smell in comparison to men. So, if that’s the case, we can’t have a product be the same for men and women. We designed a product more tailored for women, though a lot of men buy The Alexandra Collection too. This entire project was designed for women, keeping in mind women’s sensitive receptors and subtle preferences, especially for those who would be smoking a cigar for the first time. We didn’t want women having a bad experience or thinking that El Septimo cigars had too harsh of a taste. So, we brought our wine ►



blenders from France to Costa Rica. They were there for about two months after we had bought the company, and they came up with the specific leaf and blend to be able to design something that will be more pleasing to women with their sharper palates and senses of taste and smell. The Alexandra Collection is for people who want something milder—very gentle but tasty.”

The Gilgamesh Collection is the newest El Septimo cigar line, and it features two 6 x 50 cigars—the Aqua Anu and the Sable Samash. The Aqua Anu is a medium-bodied cigar that offers flavors ranging from coffee with cream to a slightly peppery spiciness. The Sable Samash is the full-bodied Gilgamesh blend and offers smokers yet another complex blend of flavor notes ranging from espresso to black pepper.

While there are approximately 40 different El Septimo cigars for consumers to consider, each of the cigars is truly unique. Yet, one characteristic that binds the entire line together is the complexity and richness in flavor in all El Septimo cigars. An El Septimo cigar is not one to be enjoyed as an afterthought but rather as a companion that draws a smoker’s attention to the exchange of flavors that each cigar offers as it is being smoked. Another feature of all of El Septimo’s cigars is that even the fullest-bodied offering never overwhelms a smoker’s palate with high-octane strength—this is thanks to the aged tobaccos that El Septimo’s team of expert cigarmakers hand-select for use. Indeed, El Septimo specializes in making “flavor bomb” cigars rather than “strength bombs.” Its arsenal of large ring gauge cigars draws out El Septimo’s special talent in blending its tobaccos to offer smokers complex but elegant gustatory delight.

“El Septimo’s cigars are beautiful and sexy,” Younan concludes. “They are made meeting only the most demanding quality requirements, and the taste is magnificent. We have a very small portion of the market right now, but I think in the future that we will capture a large part of the market because we are a unique product with a lot of interesting flavors, offering a very special experience that others cannot offer.” **TB**

Overcoming Adversity

Zaya S. Younan, the owner of El Septimo Cigars, has enjoyed a vast and rich business career. Starting as an engineer at General Motors, Younan has strived throughout his professional life to improve the world with a relentless energy and passion that saw him quickly rise to top positions in a variety of fields before starting his own commercial real estate and private equity firm: The Younan Company. Throughout his career, Younan has had plenty of setbacks to go along with his impressive array of successes. As the premium cigar industry and the rest of the world deal with the COVID-19 pandemic, Younan offers a few bits of counsel drawn from his own experiences on how to overcome obstacles and adversity.

1. Don’t Panic.
“There is always a solution to a problem,” Younan says. “While we don’t necessarily see the solution to the COVID-19 virus right now, you will see in a matter of months or years that they’ll find a vaccine for it, and it will be a crisis of the past. The world is full of smart people who are equipped mentally and physically to solve these problems, and they will be solved. What we need to learn from this and apply to future problems is to focus and stay strong, follow the rules and not to lose hope. If we do those things, everything will be fine. The biggest thing small-business owners can do is not panic. You need to say ‘it is what it is’ and with a clear mind try to work differently to achieve better results.”

2. Use Adversity to Strengthen Your Business.
“You always have challenges and setbacks in your profession, especially when you are dealing with something that hasn’t been done before, but it is the character of the person that will guide them in difficult times,” Younan explains. “Each setback provides a valuable experience and a learning lesson to use for the rest of your life and career because you will have similar problems going forward. We deal with all of the problems the same way as we have when we solved past problems. For example, what did we learn from the global recession in 2008? What we learned then has been very instrumental in keeping us alive through the repercussions of COVID-19. During these difficult times, we need to find a way to stay alive and reinvent the way we do business. What we are learning from COVID-19 is that the world can change drastically at any time. We need to learn to better manage our businesses during challenging times. We need to adapt on a short notice. We need to stay strong and focus on a solution rather than spending too much time worrying about the problem.”

3. Be Proactive.
“Small businesses must use more digital marketing and online commerce during this period when people cannot come to your shop to buy something,” Younan says. “You must find a way to go to them. People still need the product and use it, so the question is always logistics. Amazon has become one of the biggest companies in the world in a short time by mastering this. We need to learn from them. Small stores have to remember that the product they offer is still in demand, so the challenge for them is taking the product to their customers. They can call their customers and offer delivery. Your customers still want your products, but it’s not easy for them to come to your store right now. Call them and ask if they want to order, and deliver it to them. They will appreciate your attention to their needs, and that will lead them to be a more loyal customer in the future.”