Life, Liberty, and the Pursuit of Foie Gras

How two friends from Columbia created a wildly successful specialty food business and one of the hottest new restaurants in Manhattan.

```
By
Jeffrey Schwarz '02JRN
|
Fall 2002
```

Ariane Daguin and George Faison '81B met in 1979 when they were both students living at International House. Daguin was at Barnard College studying to be a journalist, and Faison was at Columbia Business School working on an MBA. Their paths crossed and their professional destinies merged because of a common passion: French food.

Daguin had come to New York from the village of Auch in the Gascony region of France, where seven generations of her family had worked in the food industry. She grew up helping out in the kitchen of her father, André Daguin, an internationally known chef and owner of Hôtel de France, a Michelin-starred restaurant. And though Faison, a native Texan, had a very different history with food ("I came from an area where you didn't buy game birds, you shot them"), he had the same gastronomic pursuits—in fact, he'd just spent six months eating and drinking his way through France. When Faison learned that Daguin and her friends gathered weekly to dine at fine French restaurants such as Lutèce, La Grenouille, and La Côte Basque, he managed to secure an invitation. "George was so excited," Daguin remembers. "He was more Francophile than the French."

The two became fast friends. Daguin's epicurean pedigree eventually won out over her journalistic aspirations, and she went to work for Trois Petits Cochons, New York's well-known French pâté company. Faison soon joined her there part-time while he finished his MBA, and together they learned the specialty food business.

After five years of dedicated service (Faison began full-time work after graduating) the young entrepreneurs reached an impasse with the owners of Trois Petits Cochons. Daguin and Faison wanted equity—"If they had given us a small piece of the business, we would still be there," says Daguin. The two were also frustrated with the company's conservative business plan. Faison had worked hard on a quiche and salad line the owners had nixed. And Daguin had been in months-long negotiations with Commonwealth Enterprises in the Catskills to become the exclusive distributor for the duck farm's raison d'être—foie gras. Her bosses said no, calling the venture "too risky."

Daguin refused to give up because she knew she had a sure bet. "At that time, there was no fresh foie gras in the United States," she says. "The chefs were cooking with canned foie gras—or they had to smuggle it into the country." So she decided to break away from Trois Petits Cochons and do it on her own. At the time, Faison was thinking of heading to California to open a bagel business, but Daguin talked him into staying and becoming her partner. "You can't throw away the past five years," she said, "and you know more about French food than ninety-nine percent of the country!" So Faison agreed to stay—and D'Artagnan was born.

Named for the young Gascon hero from Alexander Dumas's *The Three Musketeers*, the business launched in September 1984 with \$15,000 of borrowed money, a small refrigeration space, a leased truck, and an exclusive contract to sell foie gras and ducks from Commonwealth Enterprises. Today, D'Artagnan is the largest specialty meat distributor in the country, with 85 employees and revenues of over \$30 million. It still specializes in foie gras, duck products, and pâté (twelve different types), but the company has also evolved into the purveyor that many high-level restaurants and gourmet stores turn to when they need fresh (never frozen!) rabbit, lamb, and quail. And Daguin and Faison haven't been afraid to expand into new areas. They now have a wild mushroom line, and they're always the first to provide sought-after seasonal vegetables such as ramps and white asparagus. According to Daniel Boulud of the acclaimed Manhattan restaurant Daniel, "They set food standards that weren't achieved previously. They were the first."

Faisons says that starting the business was hard. "The first year was sweat equity—no salary. It took us five years to get back to the salaries we were making at our last jobs." But Faison and Daguin knew they were onto something. In the late eighties, a symbiotic relationship formed between D'Artagnan and the new generation of ambitious chefs in New York and beyond. The chefs needed

D'Artagnan to supply them with foie gras, magret duck breasts, and the best possible ingredients so they could elevate their craft to new heights. And farmers across the country needed D'Artagnan to bring to market their organic products. "They opened up a whole new market for us by specializing in game birds," says George Rude of Griggstown Quail Farm. "D'Artagnan increased our revenues tenfold."

In December 1999, the business had reached a frenzied success. D'Artagnan had always been a seasonal business, with most of the sales coming during the holidays. But with the impending millennium celebrations, the plant was struggling hard to keep up with the crush of orders. And then came the ominous call.

It was the Center for Disease Control in Atlanta: "People are getting sick, and we've traced it back to your product!" The culprit was L. monocytogenes, commonly known as listeria, a bacterium that can cause a serious illness called listeriosis. The most susceptible to listeria are the immune deficient, older adults, and pregnant woman, who run the risk of miscarriage.

"At first, we pulled \$80,000 worth of prepared products from the marketplace," Faison says, "but that wasn't enough. We had a moral obligation to mitigate the health risk to the public. The day after Christmas, we recalled all of it—over a million dollars' worth of product." Faison and Daguin knew very well that they were placing the chefs and retailers in a tough spot. Menus would have to be changed; promotions would be canceled. But none of that made any difference. "Pulling the product was the easiest decision we ever made," Faison said.

What followed was not at all easy. "We almost went out of business," Faison says. "Our prepared product line was destroyed." Daguin adds, "We would have lost everything had it not been for the support of the chefs and shops that continued to buy their meats from us during that period." Originally, D'Artagnan outsourced all of its prepared products (patés, duck confit, and cooked foie gras) to one plant in Long Island, but it stopped cooking there and decentralized the production of its prepared foods. (The pâtés are now made elsewhere in Long Island City, the duck confit is cooked in California and Pennsylvania, and the truffle butter is prepared in Vermont). It also hired a full-time inspector independent of the local governments and plant managers. "Today, we're safer, smarter, and more efficient," Faison says. "We have a much better product."

Fortunately, Daguin and Faison also had the foresight to diversify and broaden their goals. Faison, who has always been more involved with the financial end of the business, has relinquished many of those day-to-day duties. "One of our best decisions was to hire a CFO," says Faison. "I can now concentrate on expanding the product line." The wild mushroom line now accounts for 20 percent of their revenue. And Daguin realized one of her dreams in February 2001 when she spearheaded the opening of a Gascony-inspired restaurant in midtown Manhattan. The restaurant, also called D'Artagnan, has received glowing reviews. William Grimes, the restaurant critic for *The New York Times*, wrote, "Every restaurant wants to have a personality. . . . D'Artagnan has the real thing. In fact, it has so much personality it can sell it by the pound. In a city chock-full of micromanaged restaurant images, it's a relief to see a restaurant that wears its heart on its sleeve." The festive décor is replete with oak tables, red velvet chairs, and swashbuckling swords. "I wanted to open a restaurant that served as a window for our products," says Daguin. "But the truth is—it's just more fun to work at the restaurant." And it shows. Daguin's charm lights up the establishment as she floats around the restaurant offering armagnac, rotisserie duck, and, of course, every possible variation of foie gras.

Though Daguin and Faison have seen some rough times, they've been sustained throughout it all by an unflappable belief in each other. "We both realize that the basis of our partnership has always revolved around a common desire to do what is best for the company," says Daguin. "When either of us makes a decision, even if it's not the right decision, it was made for the good of the company. We have total trust in each other."



Guide to school abbreviations

All categories >
Read more from
Jeffrey Schwarz '02JRN