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Q&A: Frenchman von Polier Betting on Russian Pride

By Anatoly Medetsky

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Polier posing with watches, scantily clad women and Russian symbols, including icons and Lenin portraits.

Wristwatches have changed the way Jacques von Polier spends his time.

A descendant of Russian emigrants who fled the Bolsheviks, the Frenchman is putting a new shine on the factory that used to make watches worn by Soviet General Secretaries Leonid Brezhnev and Mikhail Gorbachev.

Von Polier had not even worn watches before he invested in the Petrodvorets Watch Factory near St. Petersburg — and now his wrists have added weight.

He recalled a meeting in a luxury store where he aimed to convince the outlet to sell Raketa watches, as the factory's brand is called. His counterpart in the conversation pointed out that von Polier would have made a stronger case if he had sported a Raketa watch himself.

Jacques von Polier

Education

1998 — Plekhanov Russian Economic University and Essec Business School

Work experience

2009-present — Creative director at Raketa

2007-2009 — Fund manager at Profus Investment

2004-2007 — Fund manager at Kolchuga brokerage

2001-2004 — Trader at Troika Dialog brokerage

1999-2000 — Freelance reporter for Paris Match on the road from Moscow to Shanghai and back, UNESCO ambassador for peace

1996-1999 — Self-employed, renovating and renting apartments to expats

Favorite book: The Prince by Niccolò Machiavelli (1532)

Reading now: With Napoleon in Russia: The Memoirs of General de Caulaincourt, Duke of Vicenza by Armand de Caulaincourt (first published in 1933) and Lettres à sa femme, a collection of letters by Leo Tolstoi

Movie pick: Movies starring Charlie Chaplin

Favorite Moscow restaurant: Galereya

Weekend getaway destination: Suzdal and Peterhof.

"I thought it was a very reasonable thing to say. From that day, I decided to wear not just one, but a few watches," von Polier said in an interview at the company's downtown design office adorned with the photograph of Russia's last tsar, Nicholas II. "In summer I wear two, and in winter I can wear three on each wrist."

A longtime investment fund manager, Von Polier said he thought the watch factory would be

a hobby, before realizing it was more demanding. But plunging himself into the business meant leaving a well-paid job for a life in unchartered territory.

Moreover, to pack a punch in a world where Swiss brands enjoy a near-absolute reign did not seem like a pushover.

Nevertheless, he and a business partner decided to make Raketa, or Rocket, which was also the preferred brand of cosmonauts, fly high again.

In swapping the movement of stocks for the movement of time as the focus of the business, von Polier bet on Russian pride. People in the country, he said, increasingly hanker for local brands that match its rich culture in renown.

"After the fall of the Soviet Union, Russians were rejecting whatever was Russian ... The Russians were almost anti-Russian," he said. "Now that 20 plus years have passed, you feel that has changed ... You have the feeling they now begin to appreciate their own country."

Given that President Vladimir Putin and Prime Minister Dmitry Medvedev wear foreign watches, the trend has yet to reach the pinnacle of power. Even so, the awareness of the brand may be growing: Von Polier offered a photo where Russian Railways chief Vladimir Yakunin is handing Putin a gift-wrapped Raketa at the festivities last year to mark the anniversary of the 1812 battle of Borodino.

Von Polier's partner in the business, British citizen David Henderson-Stewart, is another descendant of Russian emigrants. A law school graduate, Henderson-Stewart quit his post as adviser to banker Sergei Pugachyov to take on the Raketa challenge.

The Briton is a distant relation to tsarist St. Petersburg Governor Pyotr Palin, who was involved in the conspiracy to assassinate Emperor Paul I of Russia in 1801.

Von Polier estimated that the watch factory that the partners bought in 2009 is now worth 15 million euros ($20 million) after a major retooling and other upgrades.

The pair is looking for an investor who could pitch in at least another 3 million euros, in which case the company would break even in 2015, he said.

Located in Peterhof, a Gulf of Finland town graced by majestic palaces and gardens laid out on the orders of Peter the Great, the watch factory employs more than 100 people, including Swiss consultants. In a small miracle, last year it hired Jean-Claude Quenet, who had been a top-level engineer at one of the world's largest makers of luxury wristwatches, Switzerland's Rolex.

Petrodvorets sold 15,000 watches last year and aims to at least double the number this year. Rolex says on its Facebook page that it produces about 2,000 watches per day.

The prices for the Raketa timepieces run the gamut from 7,000 rubles ($212) to 24,000 rubles.

In the recent interview, which has been edited for length and clarity, von Polier sat down with The Moscow Times to also talk about his student-time business to rent apartments to expats in Moscow and a wild trip that led him to enjoy the hospitality of a prominent Afghan warlord.

Q: Why did you come to Russia and why have you stayed?

A: I came from France in 1996 on a student exchange with Plekhanov Russian Economic University. It was a time when Moscow was coming out of the dark. A new restaurant opened every day. It was a boiling economy, boiling people, creativity.

I have some Russian origins, too. It's not the reason why I came and stayed, but my Russian blood makes me feel quite comfortable with the mentality and the people. I am sort of a good cocktail of Western and Russian culture.

Q: Share some stories about significant events, meetings and problems that shaped who your are.

A: All students at Plekhanov University were doing some business. I agreed with friends to do some business as well, and we chose to renovate apartments and rent them out. It was quite successful up to a point. As young as I was, I had to face my first crisis in 1998. It was that famous crash. I had made quite a lot of money, and I lost absolutely everything in that crash. It wasn't a huge problem because I wasn't married and had no children and I was young.

A friend of mine was in the same situation. With the little money we had left, we hopped into a Lada Niva and traveled from Moscow to Shanghai and back for one year. We lived in the car. We traveled through Siberia, Mongolia, the Gobi Desert, Afghanistan, Iran and the Caucasus. On the way back, we first went to Paris and then to Moscow. From this trip I learned a lot.

First, you don't need money to be happy.

Second, even if things look catastrophic when you lose everything, it relieves you of any obligations: We were totally free to travel. It opens new horizons and helps you gain new experience: I worked as a journalist on the road. To pay for fuel, we had to make money, so we sold articles to Paris Match, the French magazine. We were inexperienced journalists. We had to make two articles per month and we were paid 7,000 francs which today would be about 1,200 euros.

We met incredible people. We lived with guerilla leader Ahmad Shah Massoud in Afghanistan for three weeks during a full-blown civil war there. He was killed on Sept. 9, 2001, in what analysts believe to be an assassination ordered by Osama bin Laden.

Massoud's assistant told us that we would spend only five minutes with the leader. We were quite excited because he was so famous in France. It was the first time that I would interview someone famous. Because time was short, I started right with the questions, asking, "Do you have military support from Western countries?"

He looked at me and didn't answer the question. Instead, for a half hour he was telling us how happy he was that we came to visit him. Finally he offered us to stay for three weeks so we have time to discuss things in a more relaxed way. From that, I understood that even if you have only five — or even one — minute to spend with someone, it's wise to thank the person for the meeting. It was a very important life lesson for me: Always take your time to be nice to the person you meet.

Q: What prompted your career change?

A: When I came to the Raketa factory, I didn't know anything about watches. I was a fund manager. What I knew was that Russia is one of the culturally richest countries in the world. You have literature, music, artists and scientists that are worldwide famous. It's a culture that you study in schools all around the world. Surprisingly for such a rich culture, Russia doesn't have any historical brand. Some disappeared during the revolution, and others in the heady 1990s.

Also, after the fall of the Soviet Union, Russians were rejecting whatever was Russian. Russians were then dreaming of McDonald's, living in America, wearing T-shirts emblazoned with "USA." The Russians were almost anti-Russian. I understand that was the first emotion of a society that came from isolation. Now that 20 plus years have passed, you feel that has changed. Russians have now traveled everywhere: They have been in Saint Tropez and in New York and wherever they can travel. You have the feeling they now begin to appreciate their own country. You see it everywhere. In restaurants 10 years ago, you had only sushi and mozzarella on the menu. It was almost impossible to order chicken kiev, pelmeni or borscht. Now it's easy, even in fashionable restaurants. I am sure that with time, the shortage of Russian-made things will be felt very strongly. And you already feel it because there's so little produced in Russia. Russians are ready to buy T-shirts by Italian-sounding brands that adorn the word "Russia" on their things. Chanel's fashion designer Karl Lagerfeld came up with a Paris-Moscow collection that had a Russian flavor in 2009.

So, that's my bet. I am quite convinced that people will be happy that we saved one of Russia's oldest factories.

Q: How did it feel when you switched your professional interests?

A: When my British partner David Henderson-Stewart and I bought Raketa we had no idea what we were doing. We thought it would be a hobby like having a boat. Very soon we understood that the watch industry was one of the most complicated industries in the world. We had to make a decision. For David, it meant leaving his well-paid job as an adviser for businessman Sergei Pugachyov. For me, it was to quit my position as a fund manager at Profus Investment, which was also quite well-paid. We ultimately went ahead with this experiment of jumping in the water without any idea what the temperature was. I don't know yet if we will be successful. It's much harder than I thought, but it's the most interesting project that I could ever find. It's about production and marketing and fashion. It's putting up a Russian brand in the world of foreign brands. It's an interesting challenge.

Q: Why are you wearing two watches?

A: I didn't wear any watches before I started at Raketa. Afterward, I remember going to a meeting in a luxury store to convince them to sell Raketa. And the guy there said, "How can you promote Raketa if you don't even wear the watch yourself?"

I thought it was a very reasonable thing to say. From that day I decided to wear not just one, but a few watches. In summer I wear two, and in winter I can wear three on each wrist.

Q: What advice would you offer a foreigner who wants to invest or expand in Russia?

A: My first advice to a foreigner is not to be afraid because, of course, Russia doesn't have

the best press in the West. But the country has very professional people. It has a strong and growing economy, and, compared with the West, it's a change. It's easier to be successful with an investment in a growing economy like Russia. Expect that everyday life is not the same as in the West. Some things are more complicated, but others are much more simple here.

Q: Is there anything you can't do but would like to learn?

A: I'd like to play the third piano concerto by Rachmaninoff. It's very difficult.

Q: What has recently made you feel surprised, disappointed or happy?

A: It's that film actor Gerard Depardieu officially came to live in Russia. It was a pleasant surprise. Whenever I come to France, friends ask me if my life is awful, how I deal with the mafia and if people are brutal. And I try to be positive. Now that a famous person like Depardieu came out and said Russia was not so bad, it helps me a lot by supporting something that I have been saying for more than 15 years. Of course, he is crazy and has met with people like Kadyrov and other people I wouldn't recommend. Still, it was a good surprise and made me happy.

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