

Board Member Spotlight

From Startup to Global Expansion – Tips to Guide Your Thinking

By Sanvij Mehra



The last decade has possibly been one of the best times to start a cosmetics business. The digital revolution has effectively fueled a power shift from manufacturer-

ers to consumers. The consequence has been a significant benefit to beauty startups by giving them access to distribution, virtually for free, and by enabling them to directly engage with consumers to communicate authenticity and to create a richer brand experience. As expected, this has prompted a wave of new entrants in many country/product combinations.

eos, which I founded and manage with my business partner Jonathan Teller, has benefited from these circumstances. We started in late-2007, launched eos lip balm spheres in 2009, and now have seven sales and marketing offices worldwide, we officially sell in 18 countries and manage our social media every day in 13 languages.

While digital provided new opportunities to new brands, it didn't change the fundamentals of what is needed to build a brand that will stand the test of time and multiple cultures. eos has a long way to go to achieve our goals, but from my experience here are a few tips to guide your thinking as you carve your own path to success.

Innovation that breaks through.

Many of you start with a consumer insight against which you create products and communication. Others start with a product from which they derive the

insight. Regardless of whether product or insight comes first, what's important is that you have something that breaks through and is different from others. Be known for something that the category is not generally known for. The difference may be subtle, but it must exist. eos started with a lip balm sphere. When we thought about how we would re-design lip balm, we looked at how women used it. We looked at hundreds of images, online and all around us, and we'd see women struggling to find lip balms in their bags, so we imagined a shape that would be identifiable the moment you held it. We then took that shape, which was our difference, and we built on it. We added elements to engage all five senses and we created communication that made the product more imaginative and different. We create products that stand on their own and inspire positive word-of-mouth because they're intuitively meaningful to consumers. That's worth more than the multimillion-dollar ad campaigns that fail to create recognition for products that are virtually indistinguishable from their competitors.

High quality products. Don't compromise here. The consumer appreciates the quality of your products every time she uses them. We started eos with four people, none of whom was technical. Even then we applied the most rigorous processes to our product development and testing, consistent with, and in many cases, exceeding industry standards. Every product was developed by experienced scientists. Then they were tested by labs independent of those scientists. We made our products at factories that had excellent quality standards. And then we had independent labs confirm the quality on a continuing basis by testing samples regularly. It's the old adage of trust but verify.

Deciding when and how to launch overseas. Think of every country as a startup. To be successful, first be strong in your home country. Expanding overseas requires a team, and a strong team in your home market is an invaluable asset. Second, don't rush. You have to build a strong consumer connection to your brand in every market. That takes time and effort. Don't be seduced by distributors. International distributors may sound like easy money, especially when you're just starting to build buzz. But they're not a shortcut to brand building. Every sale overseas needs to be thoughtful and every market needs consumer investment. Remember overseas markets have their own regulations for products and labeling, and often, different competitors and communication. At eos our growth strategy is, first and foremost, to remain strong in the product categories where we're already established. Of course, we're assessing new product categories too. The opportunities within the beauty space are endless. Our brand's universal appeal means that it travels well and we're also assessing geographical expansion. That's a complex portfolio of "white space" initiatives that can strain any organization. So, be thoughtful about how much you take on.

Sanvij Mehra began his career as a management consultant to advise the Government of India on early economic reforms. This led to a senior member position that started Pepsi's operations in India. Sanvij was with Unilever's North American Home & Personal Care Division and with private equity funding started Phoenix Brands. This led him to build and manage the success of eos as their CEO.