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HAMILTON BRADSHAW
Investing in people with passion

How to start up a beauty venture in fine fashion

Ask James



James Caan

Dear James

I'VE been a make-up artist for magazines and fashion shows for eight years, and have realised my passion is in creating beauty products. I know it's difficult to break into the market. Do you have any advice?

Sabrina

THE beauty industry is difficult to break into. It's extremely crowded and even established companies can find it hard to grow. However, there are always key business principles that you should follow.

You need to know your market. Your experience can give you an advantage but this on its own is not enough. There are all sorts of regulations and technical specifications you have to abide by in the beauty industry. You must be up to speed on them, and you will need to spend a lot of time on research and development.

Will you develop the products yourself, or will you outsource? If you are outsourcing, you must vet manufacturers very closely. Keep things as simple as you can. It can be very tempting to provide an offering to different strands of the market but this prevents profitability. On tonight's episode of *The Business Class*, I speak to the founder of *Pai Skincare*, and although she is doing very well, she is a wholesaler, a

retailer and caters to spas and resorts. Too many avenues can prevent growth.

Finally, what's your unique selling point? Are you going to be a premium, aspirational brand or will you focus more on customers with a lower disposable income?

■ *The Business Class* airs on *CNBC* at 11pm tonight.