

The Mind of the Entrepreneur

In my address I tell you a bit about Sacha, how we started, what strategies we used and what lessons we learnt along the way. I hope, by the time I have finished, you will gain a better insight into the exciting world of entrepreneurship.

I know that many of you at this stage, are not yet certain what you will be doing with your lives. Don't let this depress you. This is not unusual. Some of the most interesting people I know, didn't know at 22, what they wanted to do with their lives. Heck, some of the most interesting 40 year olds I know today, still don't.

I could well imagine how difficult it would be, in today's rapidly changing world, to create a personal road map for the future. The pace of technological change is indeed, mind-boggling. It seems that the moment a company introduces an amazing new product, they are already working to make it obsolete.

When I started Sacha 28 years ago, the world moved at an entirely slower pace and things were much more predictable. We did not have PC's, microwave ovens, MP3 players, CD's, cell phones, fax machines, email or the Internet. It is safe to say that over the past 28 years, the world has changed more than it did over the past 1000 years and the reason for that is the Internet.

Make mistake about it, the Internet has and will continue to affect every aspect of our lives in the most profound way. It will also have serious implications for your prospects of job security in the future. Let me give you some examples of what I mean.

Because of the Internet, many businesses will downsize or disappear altogether. For instance, with the proliferation of email, the postal service has come to the end of era. With more and more people booking their flights online, travel agencies are also rapidly becoming a relic of the past.

Look at the banking sector. Online banking is growing at an astronomical pace and with their relatively low operating costs, they are able to offer substantially better rates. Already we are seeing bank tellers being replaced by ATM's, as the brick and mortar banks try to reduce their operating costs. And who can blame them. ATM's don't get sick, they don't get cranky and they don't get pregnant and go on maternity leave. They work 24/7, you don't have to pay them overtime and they work non-stop even during carnival!

Once safe Government jobs, are also at serious risk with countries like Australia targeting to reduce staffing in the public service by 90% in the next ten years. Their position is, anything you want from a government department, whether it is a birth certificate or a land deed, you ought to be able to access it online. This is a worldwide trend which will soon also become reality here.

Add to this the fact that globalization and the lowering of import tariffs will continue to take a serious toll on the local

manufacturing sector. As cheap imports from China and India flood the market, local manufacturers are forced to downsize and even cease operations, because they are unable to compete. This is a severe blow to your prospects of employment since after the public service, the local manufacturing sector is the largest employer of labor.

Add to this the fact that experts have been predicting that our oil and gas reserves will run out in as soon as fifteen years and you see the gravity of the situation. Recently the much-touted Ibis field came up dry and this has even worsened already pessimistic projections.

I however, did not come here to bring you bad news. I am here to open your eyes to the changing realities and to let you know what skills you will need to equip yourselves with, so that you can not only survive, but flourish in this dynamic environment. Apart from the basic computer literacy and communication skills which are critical, one skill I believe that you all have to acquire for the future, is entrepreneurship.

Entrepreneurship is not easily taught since it is not an exact science. Some entrepreneurs had their start when they inherited a business, so they have people to guide them along. Others started off on their own, took pattern from a role model and built on this.

In my case, I did not inherit a business. Sacha Cosmetics is a true start up business which I started up with my entire savings of \$3,000 and a huge amount of passion, enthusiasm and determination. My inspiration came from my mother who was a hairdresser. She was always fond of saying that her job was not to cut hair, but to make women look beautiful. So, when an opportunity came by to get into the cosmetics business, I knew that I could learn something from her, since we would be in basically in the same business - making women look beautiful.

One thing I learnt from her was to have the highest, grandest vision for my life, since as she put it, you become what you believe. This is why I never focused on developing a line of cosmetics that would only be the best in the local market. I set out to create something that would set the world afire. Have I accomplished this? Not yet, but I will never, ever waver from this vision.

Indeed, successful entrepreneurs have enthusiasm and passion and are often flexible on goals. But they always have a vision. They focus on the finish line.

An entrepreneur is a different sort of animal. His mind is cluttered with ideas and he is always thinking about ways to market these ideas. Typically, his philosophy is, ready, aim, fire. Many entrepreneurs feel that if they spend too much time doing the ready, aim, aim, thing, they would waste too much time and money and opportunities would be lost.

Entrepreneurs are therefore not big fans of strategic plans. Sure they grit their teeth and go through the process, to have their employees buy in to a shared vision. But after the plan is documented, they put it into a drawer and focus on making things

happen.

Entrepreneurs don't just have a vision, they act. As the Japanese put it, "Vision without action is a daydream. Action without vision is a nightmare". Success seems to be connected with action. Successful entrepreneurs keep moving. They take risks, they make mistakes and yes, they get whacked sometimes, but they don't quit. They know that being defeated is only a temporary condition. It is giving up that makes it permanent. When something goes wrong, successful entrepreneurs never, ever say "it is not my fault". If they are looking for someone to blame, they head for the nearest mirror. They take responsibility and take action.

When I started Sacha I did not know anything about business, far less about the cosmetics business, but, I had already quit my teaching job, I had no money left, so I had to succeed or starve.

In those days we did not have the Internet so information was hard to come by. To learn more about the business, I borrowed or bought every book on cosmetics I could find and read voraciously. I visited factories abroad, befriended people there and learnt everything I could as fast as possible. I was a sponge.

Along the way, I made my share of mistakes but one thing I never compromised on, was quality. I learnt very early that quality is the price to get into the game. I knew that if I could not provide the consumers with the best quality in the world, I should get off the field.

For a long time, I would walk around looking closely at women's faces and seeing so many of them wearing make up, looking as if they were wearing a mask. The darker the skin tone, the worse they looked.

I figured, this could not be right and set out to develop a line of foundations that would perfectly match a wide range of complexions, so that when women wear it, it would look like a second skin. This took years of research and development, but finally we succeeded in developing a line of foundations that match today's diverse more perfectly than any other brand in the world.

When we did, we did not sit on it. We began working with our beauty contestants encouraging them to wear it at the Miss Universe Pageant. We knew that in the 80-year history of the Pageant there had only been one dark Miss Universe way back in 1976, Penny Commission. For 20 odd years beautiful African girls would walk out on stage with their makeup looking awful, and lose badly, because no brand ever seem to look good on darker skin.

The first contestant we worked with was Wendy Fitzwilliam and it is now history that she went on to be crowned Miss Universe 1998. The very next year, we worked with Miss Boswana, and she became Miss Universe 1999. So for 22 years we did not have a Black Miss Universe and suddenly we had two in a row, both wearing the same brand of makeup, Sacha.

We then became the first non-American company to be the official cosmetics of the Miss USA Pageant and all the delegates even with the

lightest skin tones went wild over the products. From this experience, we were convinced that Sacha could successfully be marketed in any country in the world.

After we developed the line, tested it with spectacular results at these international pageants, our dilemma was, how do we let the world know how great Sacha really is? We thought about placing ads in Cosmopolitan and Vogue magazines but at US \$100,000 an ad, this idea was quickly shut down.

And then, something great happened. We discovered the Internet. The moment I recognized the enormous potential of the Internet to promote Sacha worldwide, on a shoestring, I said hallelujah. This is a dream come true.

The Internet provided us with the opportunity to build a website, promote it in the search engines, attract visitors to the site and get people all over the world to know about us. Today, our website www.sachacosmetics.com, is one of the most powerful cosmetics sites on the Net, attracting over one million visitors, worldwide a year. This is enormous global branding, which we are building at very little cost.

Once we jumped on the Internet bandwagon and began getting the hang of it, we turned the site into an online store and became the first Caribbean company to sell its products worldwide, online. Not only did we have innovative products, we now had an innovative strategy to market it worldwide.

Isn't this amazing. Imagine the possibilities. We sit in our office in Freeport and run a global business, with very little operating costs. The best part about it is our online store is open 24/7, rent-free, with no Eid, Diwali or Christmas holidays and we get paid in cash, in \$US.

With the Internet, none of you has any excuse whatsoever, for not going into business. In the past, you could make excuses such as it takes money to make money. Or, you could justify not doing it by saying that the local market was too small and there is too much competition. Well you can't say that anymore. The net is global, and with 15,000 new users coming online each week, your market is always expanding. Today, how much money you have to start a business, is nowhere as important in how much brains, determination and desire you have.

To survive and prosper in today's fast changing world, you must have an alternative set of skills and an alternative source of income. Wake up and smell the coffee. A small three bedroom house in a half decent area could cost you 1-2 million dollars. You would have to have a significant combined family income just to pay the mortgage, far less bring up a family and put food on the table. You have to create an avenue to earn an additional income, to supplement your regular day job.

Don't get me wrong. I am not suggesting for one minute that you work two jobs and make yourself frustrated and miserable. Here is what you do from now. Find something you are passionate about and build a

website about it. Today, building a website is all point and click so even I could do it by myself. You can be up and running for under \$50!

On the Net, traffic is king. If you could build an authority site and attract enough visitors, you can make money from your site. Why build a build a website about something you love or you are passionate about? Well first of all, it will be fun and if you do something you love it is not work.

Another great reason for building a site about something you love is that, if you are really passionate about something, you would spend day and night researching it and at the end of the day, you becomes an expert and find a way to make money from your intellectual property.

Within your area of interest, pick a niche and aim to dominate that niche. Here is an example of what I mean. I always wanted to publish a book about the proper techniques to apply makeup. Then I figured, why go through the hassle and the printing cost, when I could build a site and drive traffic to it. So I built a site www.applymakeup.com and put all the information I had on the site. Today, this is the #1 site in the world, which ranks #1 in every search engine, for anything to do with applying makeup. This site has nothing to do with Trinidad or the Caribbean. This is a global site, for the global market. This is my personal space on the Net, which I own and which becomes more valuable each passing day. You have to find your own space on the Net and own it. This is valuable real estate, no different in investing is a piece of land.

When we built the Sacha website, we knew we had beautiful lipsticks, nail polishes, eye shadows etc., but we really wanted to be known for one thing, one attribute that would make us different, make us stand out from the competition so that we can become known for it. The one thing we have, superior to any other brand in the world, is our natural looking foundations, that looked great on any skin color.

So we made everything else secondary and focused on promoting our innovative foundations. If you go to our site we still do it. We get people to try our foundations and when they try it, and they love it, then we sell them the lipsticks, eye shadows, etc., that would look good with that particular foundation. This works like a charm.

Today on the Net, we are known as the foundation people. Whenever women are looking to buy foundation on the Net, the first place they come is to our site. Because of this, today Sacha is rapidly becoming a known brand in the global beauty industry.

Well, I know what you must be saying - I don't have a product to sell. Well that's no problem, and in fact, from my experience, the hardest things to sell online are products. You have to stock it, ship it, have customs dig it up, looking for drugs or what ever they look for and then accept returns from people who buy the wrong shade or who just want to be plain miserable.

After getting whacked over and over, I have learnt the hard way, that the best products to sell online are information products. Here is

how I know that. I know that people don't really come online to buy stuff. They come online for information and if they see something they like then and they are satisfied that it will improve their lives, they buy it.

So, when we were building and promoting our company site, we made sure that it was crammed with valuable information. You have to attract them with information then sell them your products. If they don't come, you have no chance of selling them anything. So I figured how can I encourage visitors to come to our site?

This is when I came up with the idea of having my head makeup artist, who is a real expert, write an ebook, a step-by-step makeup guide on how to apply makeup. The ebook is not about Sacha. It is about the reader and showing her how easy it is to do her own makeup, step-by-step. Of course the book subtly recommends Sacha as the brand to use if they want to really look their best.

By this time, we recognized that while the biggest three letter word on the Net is sex, the biggest four letter word is free. So what we decided was to offer the ebook free on the Net to anyone who wanted it. Anything free really grabs attention and visitors came in droves.

Why give away the ebook free, you may ask. Well first of all, we get more and more women worldwide to know about Sacha so this is a big plus. However we have an ulterior motive. To download the ebook, you have to give us your name and email address, before you can proceed with the download. Once they do that, we put their names and email addresses in a database and today, this database has over 60,000 names. Anytime we want to boost sales, we offer a special and email it out to the entire database at the click of a button. Imagine the power of that. We give you a free ebook, which cost us nothing to write, so that we can market to you for life at the click of a button. Can you think of more targeted marketing than that?

Then I began to say to myself, we have this database of women who are interested in cosmetics, how about if I approach companies like Lancome, who always have new products that are introducing and offer to promote these products to my very targeted list of subscribers for \$0.50 a name. They do this all the time and they pay more for really targeted lists such as ours. With every mailout, that's another US\$ 30,000 I did not have before.

Imagine the possibilities if we work hard as hell to get one million women to download the ebook and have all of these names in a database. Building such a database of potential customers, is a powerful way of using the Internet to build an online business and earn income for yourself.

I give you this example to show you how some entrepreneurs think and how the Internet gives you the opportunity to build an online business and earn \$US. Remember I told you the best things to sell online is information products? Well here is why. Firstly, you can charge anything you want because people have no pre-conceived idea of what it is worth. If for instance, you want to sell a hairbrush online for \$20, people will say you are mad, because everybody knows that a hairbrush costs \$1. This is not so with information products, since people have no idea what they are worth.

So, for instance, if one of you, who have a passion for the beauty business, decided to try to make money off my ebook, here is how you would do it. Firstly, I would do the ethical thing and ask me permission. I would most likely say yes, mainly because I can't stop you anyway.

Now how could you make money from an ebook which we gives away free? Simple, by narrowing the focus and using the bulk of the information to write ebooks targeting smaller niches. For instance, young girls in the US, are graduating all the time and want to know all about prom makeup. So what you can do is to cut and paste the information in the book, together with other information you have researched on the Net and write an ebook about prom makeup. I don't think I have every seen such a book written. It is just too specialized for print, but ideal for an ebook, which is typically less than fifty pages.

I would then put a huge title on the cover, to attract attention, such as "Don't go to your Prom", then followed in smaller print "...without reading this book". Then you go to all the prom sites and promote your ebook, with your attention grabbing headline. You have all these kids, getting ready for their prom, wanting to look their best, with their parent's credit cards in their hands. I bet they would pay \$20 to make sure they look better than their friends. As my daughter once joked, "Lord, if you can't make me thin, please make all my friends fat". They all want to look better than their friends.

You can charge \$20 because this is a very specialized book written by an expert "you". Don't worry about the ethics of that. With all the research you will be doing regarding prom makeup, you will become an expert.

But you don't stop there. How about a book on bridal makeup, makeup for problem skin, makeup for oily skin, etc. The list is endless and the more specialized the target, the less the competition and the more likely you are to make a sale. So you write 10 ebooks and aim to sell one a day at \$20 each. That's US \$200 a day. Do the math, that's over half a million dollars TT a year. But why stop there. Write 100 ebooks. Get the idea?

The best thing is, there is no reason in the world why you cannot do it. All around us are countries that speak Spanish, Portuguese and French. We speak English, the language of the Internet. In the entire region, we have virtually no competition.

And don't tell me anyone in America has more brains and more talent than we do. I am always amazed at out young people's ability to do great things. Look at the A Level examination results. With a population of little more than one million, each year, we consistently get the best results in the world. Brain Lara continues to break every batting record in Cricket and the Soca Warriors made us the smallest country ever to qualify for the World Cup. Imagine, with our relatively small population, we have won two Miss Universes and a Miss World. We even have the most beautiful women in the world.

On the Net we ought to be the kings in the region. We ought to be operating at the cutting edge of technology and exploring the

opportunities to do business, like so many people are in America, who don't have half our brains. Think about it.

I am not saying that writing and promoting ebooks are the only opportunities to do business on the Net. Far from it! There are thousands of other options. But you have to get your feet wet, and the way you start is by building your own website. When you do, make sure it is not a site about roti shops in Penal or Catholic Saints of the 5th century. These niches are too small to build a viable business. Similarly don't build a site focusing on a large category, where the competition will be fierce. You have to find the right niche and the right size of niche. Pick something global, and aim to become a global player. Think benefits to the user. Remember, people buy benefits not features so focus on making people's lives better.

Think outside the box. Here is one quick example. One kid I read about on the Net built a niche site and started making a dollar a day. Excited by this he started building duplicate sites, each with a different slant and began making \$1 a day from each one. He ended up building 1000 sites and he makes \$1 day from each one. That's \$1,000 a day! Do the math. The kid should be teaching business at Harvard. You see the big shots are only the small shots that keep on shooting.

In today's world, the new source of power, is not money in the hands of a few, but information in the hands of many. That's you. In this dynamic, fast-paced world, you have the power in your hands to determine your own destiny. You just have to focus and work hard as hell to achieve what you want. Remember, the only place where success comes before work, is in the dictionary.

In the past, the most important assets in any business were land, labor and capital. While this is still important, today, the single most important strategic asset, is information. This is the information age.

I trust that by sharing my experiences with you, I have given you food for thought and have encouraged you to spread your wings.

We live in exciting times, full of hope and opportunity. In the world there are three types of people. Some people make it happen. Some watch it happen. And, some say, "what happened?". Who are you going to be? This is your world and your time. Carpe Diem. Seize the moment.

I thank you for the honor of addressing you.