



ExportSavvy

## ***ExportSavvy Case-study*** **Heaven Skincare**

### ***Heaven really is a place on earth for this entrepreneur***

Heaven Skincare is one of the world's fastest-growing ranges of organic beauty products; its client list crammed with showbiz celebrities, Hollywood idols and stars of the global music industry.

Gwyneth Paltrow, Victoria Beckham, the Minogue sisters ... and Simon Cowell are among the devotees who always have the bee-venom facials, moisturisers and other treatments created by Deborah Mitchell to hand.

The same luxurious products are also much favoured by Royals; including the Duchess of Cornwall and the tabloids' perennial favourite, the Duchess of Cambridge.

Mitchell's business now generates annual revenue of some £25 million, from customers in almost 40 countries, and should you see this self-assured entrepreneur at award ceremonies, trade exhibitions or business events, you might think her achievements have been a cakewalk.

She's had plenty of tough calls to make along the way though, especially when trying to break into overseas markets.

#### **Take time to identify your new partners**

"Selecting the right partner or distributor is never easy, especially when you're focused on exclusivity, and the decisions you make will impact significantly on your future commercial success in a particular city or country," she admits.

"You also need to decide your end goal each time you make such a decision. Do you need money urgently, is this a relationship which should deliver long-time access to an important market, or is it simply a deal which will generate free advertising?"

"There can be valid reasons for making a choice based on any of those factors, or others, but you must always identify your goal before you start looking for a new joint venture partner or distributor.

"It's too late when you're in the middle of the process, as by then other influences will be factored into your decision-making and you might well make the wrong choice. It's also crucial to consider the logistics involved in precise detail.

"Will you need to micro-manage this relationship, for example, will you need an in-country agent to 'manage' the distributor, and how expensive will it be to ship or fly your products to them?"

"It's easy not to see all these aspects if you're new to overseas markets, and very easy to make mistakes if you haven't done your research and haven't sought proper guidance. At first, I tried to do everything by myself, but gradually realised I needed support from people with more knowledge of overseas markets.

### **Seeking support usually trumps flying solo**

"Sometimes I've asked Chambers of Commerce, other times UKTI have been very useful, on other occasions I've met someone, perhaps at a product launch or a networking event, whose own story has been helpful to hear."

Mitchell's first export order was just £5k, but as her turnover was then only some £250k a year, it seemed a decent enough size.

However, although she was new to the myriad complexities of overseas trade, she had enough belief in her products to know how to fight her corner.

"I saw how much it would cost to go to Dubai, and asked the people who wanted to be my distributor to pay my air-fare and my hotel.

"It might seem a small point, but if you're spending hundreds of pounds just to meet someone and discuss a potential relationship, you don't want to be out of pocket before you decide if they're suitable."

Mitchell's subsequent visit to Dubai also taught her another significant lesson about the potential for British companies once they ventured overseas.

"I'd been trading for ten years before I went there, and I achieved as much in those six days in terms of contacts, profile raising and future orders as in the previous decade operating just in the UK," she recalls.

"Barely before I'd got back home, the people I'd just appointed as distributors placed a second order worth £16k, and I got further orders worth £100k in the first year."

### **Remember that *your* time is precious**

Enthused by such swift progress, Mitchell joined a trade mission to Paris, but unfortunately it did not replicate the success of her solo visit to the Gulf.

"It was a waste of time and money. I hadn't realised the other people weren't in the same sector as myself, and didn't know enough about the French market to get any benefit from the trip," she says.

Another important lesson was learned though.

"If you're a sole trader, or if you are leading a company's overseas trade campaign, you must always consider carefully when to visit in person, or when you can contact people remotely, by e-mails, or social media, through LinkedIn, or by a phone call," says Mitchell.

"Your time is precious, and if you're exhausted from constant travelling, you won't make the best decisions for yourself or your business."

Her next move into exports came via an approach from a company based in Taiwan, aware of both Heaven's fast-growing reputation and its impressive client list.

"They wanted products worth £36k, it was only my second overseas order, and I was so pleased I decided to visit them, and agreed that they could be Heaven's distributor in Taiwan. Before I flew out though, a Chinese company made an approach, and invited me to meet them in London," says Mitchell.

"I thought they'd send their sales director, but the whole board came over, and as we talked they offered me a cheque for £1.5m on the spot, and asked to represent Heaven in China, Taiwan and the United States.

### **The personal touch always adds value**

"Obviously, it was hugely tempting, but I never break my word and told them that I had already made a promise to work with another company for Taiwan, and so the discussions ended."

Mitchell then flew to meet the family which owned the Taiwanese venture, and their relationship blossomed; initially with an order for £150,000, and later with a suggestion that they could establish a long-term partnership to include mainland China.

"I had an affinity with the family members right from the start. I was very honest, and also didn't try to create an image which wasn't me," she recalls.

"I believe that your character and personality should be an integral element of your business. Yes, it might not always work, but at least you are being true to yourself. If you try to pretend you are someone else, and it goes wrong, you have only yourself to blame.

"The partnership with the family business in Taiwan went so well, they signed a 10-year distribution deal for China, which means Heaven will be supplying 2,500 stores and salons there, which will be worth just over £100m in revenue."

It's a startling figure, which will transform the financial fortunes of Heaven Skincare, but it's reassuring at the personal level to discover that the catalyst for the deal was someone's desire to be true to themselves.

Plus innovative products, 20 years of hard work, research and planning of course ...

## **Think on!**

Could your business learn from Heaven Skincare's hard-won experience?

Deborah Mitchell stresses the importance of preparation and being clear about your goal before you make a partner selection decision. Her experience is that clarity at this point has a significant impact on success. How clear are you about what you want from your overseas partners? If you already have overseas partners do they deliver what you need? What actions can you take to improve performance?

Deborah also emphasizes the importance of personal relationships in her success. Whilst this is important in business everywhere, some cultures place far greater emphasis on this than others e.g. in the Gulf and the Far East. Is there room for you or others in your business to improve the management of relationships overseas?

You can explore some of the issues raised here in more depth in the following modules in the Savvy Academy:

Approaching Partner Selection

Partner Selection – Assessing Capacity and Capability

Partner Selection – Shared Commitment

