

# Inc. CAPTURING CUBA

Startups fight for a foothold  
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The Magazine for Growing Companies

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ICON STARTS OVER AS  
AN ENTREPRENEUR  
(NO, IT WASN'T EASY)

## VENUS WILLIAMS FAME TO FOUNDER

INFLUENCERS  
DO THEY LIVE  
UP TO THE  
HYPE?  
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HOW TO STAY  
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## Norm Brodsky

### Pencil Power

When you're starting a new business, you can get a better feel for the numbers by writing them down

**R**ECENTLY, I HAD A CHANCE to visit a company owned by an entrepreneur who had come to me for advice almost 20 years ago. Her name is Anisa Telwar Kaicker, and she is a designer, packager, and marketer of cosmetics accessories—such as brushes and bags—that she sells to beauty brands, department stores, and high-end specialty retailers. When I first met her, she had been in business for roughly five years and was doing about \$1.5 million in sales, but she was having trouble paying her bills. The problem, she thought, was that she didn't have enough sales. The real problem, however, was that she didn't know how to gather the information she needed to understand what was actually happening in her business.

I wound up writing a column about her called "Forget Spreadsheets," in which I made the case for tracking monthly sales and gross margins by hand, not computer, especially when you're starting out. I believed then, and still believe, that if you do this, you can save yourself all kinds of grief, as well as improve your chances of success a hundred

times over. By writing the numbers down and doing the calculations yourself, you begin to have a feel for the relationships between them. Later on, when other people are reporting numbers to you, you'll be better able to recognize when something's wrong.

With that in mind, I first had Anisa look back over her previous three months of sales and write down the total on each customer invoice and the cost of goods sold for every order. The list she came back with showed that she'd lost money on some orders and on others hadn't made nearly enough to generate the cash flow she needed to survive.

So we began a new routine. I gave her a form on which she could write down, at the end of each month, the sales, cost of goods, gross profit, and gross margin on each of her products both for the month and for the year-to-date. The exercise took less than 30 minutes and allowed her to see what was really going on inside her business. On a separate sheet of paper, she kept track of the same information by customer.

What Anisa learned had a huge impact on her thinking. "It's like reality hitting me in the face," she said. For the first time, she realized exactly where she was making money and where she wasn't. As a result, she was able to take much better control of her cash flow.

I wouldn't say Anisa succeeded because of this knowledge, but it did help her get through a perilous period when she was still figuring out the business. And figure it out she did. Since then,

she has done brilliantly, taking full advantage of her talent as a designer, her skill as a marketer, and her instincts as an entrepreneur. Today, her company, Anisa International, is a leading supplier of cosmetics brushes, among other accessories, with more than \$47 million in annual sales and 650 employees, most of whom work at the factory in Tianjin, China, that she opened in 2002 to assume complete control of manufacturing and R&D.

That decision, I believe, was crucial to her success. She understood that, to build the kind of business she wanted, she had to take charge of every aspect of designing, producing, and marketing her "beauty tools," as she calls them, especially the brushes. The result is a company that has won all kinds of awards. It reports more than 25 patents, patents pending, and trademarks. Along the way, Anisa has transformed the cosmetics-brush business.

I get the sense these days that Anisa is amazed at what she has accomplished, but I could see her potential back in 1997. Like many entrepreneurs who come to me, all she needed was some basic financial knowledge and a feel for the numbers, which she gained by writing them down.

**Norm Brodsky** is a veteran entrepreneur. He is the co-author of *Street Smarts: An All-Purpose Tool Kit for Entrepreneurs*. Follow him on Twitter: @normbrodsky.