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Strategic Insight For Middle-Market Business Leaders
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The following is an edited abstract from CFO Thought Leader's podcast featuring Anisa Telwar, CEO of Anisa International, and Jack Sweeney, co-host of CFO Thought Leader."

MMTL: What career experiences really prepared you to become the business leader you are today?

Telwar: That's a good question. It is a really big question, but when I think about it there were a few things that have created where I am today and have a lot to do with working with a very strong female entrepreneur which was my mother. She gave me opportunities that most people would not have because I didn't really have the skill set or the experience at the time. And then she exposed me to this international opportunity and this global community at a very, very young age. So I think that's had the greatest impact on my career and a leadership style.

MMTL: Can you tell us about how your company came to be?

Telwar: I was working with the family company, import-export. The company was about to dissolve through some very adverse situations. I had to do something and out of that I had created a relationship with a manufacturer in Korea at the time who's family's business was the art of cosmetic brushes. And he and I struck up a deal and that's how it began, and it has grown over the last 22 years into what we are today.

MMTL: Didn't you also have some important relationships here in the U.S., the large buyers of cosmetic brushes and cosmetics?

Telwar: Yes, I had created relationships. My first relationship in the industry was with Revlon, a big brand. From there I was able to start to understand the industry,



understand the brands that I really wanted to target, and slowly started to build relationships over time where it was very collaborative. There was a lot of trust in me, and we were able to grow together, which was fantastic.

MMTL: How did you come to what some might call a rash decision to build a plant in China about 12 years ago?

Telwar: It was a long, serious thought process because it was either... I was about to lose my business is what happened. The relationship I had created with this gentleman was dissolving, and we wanted to go in different directions. So 15 years of an investment of time, resource, and relationship and product development was going to be lost. Either I had to commit to this path or maybe find another agent, another distributor and be in the same situation five or 10 years down the road. I decided was I was going to go for it and either I was going to go for it all, or it was going to fall apart or we were going to be truly successful. And it took us two years before we were able to feel like we were going to have some security in the manufacturing.

MMTL: How did the business grow during the past ten years, and can you tell us of some milestones along the way?

Telwar: Definitely. When we took on this fully integrated arm of the organization where we could manage our manufacturing and we could understand that piece of design and production, what happened was we were able to be more transparent with our customers.... You really didn't work with a lot of Americans at that time who were manufacturing in China in this industry. So they could trust when I would share with them our challenges. They could trust when I would tell them that what we could and could not do, you know, of course, there was no longer the



cultural barrier, the language barrier. And they could understand and come see what we were managing and dealing with.

So that offered a huge opportunity for them to then really to maybe mold us into what they needed. And then what also opened the door for us was our intellectual property, our creative designs, owning our creative designs, no longer having to be concerned or dependent upon someone else to create for us, we began to really own the design process. So those two huge impacts of transparency of design is, I think, what has transformed the organization the last 10 years.

MMTL: Can you give us some idea of the size of the company today?

Telwar: We're still over 30 million. We're producing probably 25 million brushes a year. Our workforce is in the 500 person range. We have become more efficient. We are incorporating better systems and processes because China labor costs are increasing, so we have to become more efficient.

MMTL: With increasing costs in China how would you describe the current competitive landscape there for Anisa International 's offerings?

Telwar: We want to stand out, and we don't want to be a commodity supplier. We want to bring more added value so that whatever the spend is for this category, our client is getting maximum for their dollar. So we have to be very, very thoughtful now in what we are taking to our customers. We just don't want to be a "me too" and we just don't want to be an off-shore supplier. We are much more than that. Our manufacturing, in a sense, is a by-product and that gives it additional support, gives additional, again, transparency and reliability. But what we are in the beginning is a design organization that is creating products that are not currently



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available. We are creating solutions and we're creating a large ROI for our customer.

MMTL: What size firms are you competing against today and where are they based?

Telwar: A lot of the companies that we compete against maybe just do not focus on cosmetic brushes. That may be a part of their organization, and they also manufacture in China. There's some manufacturing still in Japan. A lot of people, if they manufacture in the U.S. or in Europe, they're bringing the raw materials in from China. So we are competing with some very large organizations that do a lot, and they do blow-molding or injection molding. So that is the bigger part of what they sell and the cosmetic brush or the accessory, I feel is a smaller part of who they are. That's why we are making real inroads because this is our focus.

MMTL: What are some of the primary obstacles to the firm's growth today?

Telwar: I think for everybody in the world the thing that we all need is human capital, and we are only as strong as those around us and who work with us and for us. So the challenge for me every day is creating a very strong culture of creativity, innovation, design, having people who want to be passionate about what we do. That's my biggest personal challenge on a daily basis. How can I be that kind of leader that inspires because there's so much that you can do to push and shove? People, they have to self-motivate. So that's a big challenge and, of course, it's also the everyday challenges. Who's the next competitor maybe that we don't know about? What are we maybe not giving our clients that they really need and they're not communicating that to us or we're not communicating or listening correctly? And, of course, costing, that's always going to be a challenge. Costing, pricing, that's always going to be a part of our business.



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MMTL: Has the current lending environment and the need for capital obstructed or fueled the firm's growth?

Telwar: Right now, that's not our largest concern. Right now, the need for capital is not as necessary as the need maybe for strategic alliances, partnerships, people that can help us grow because they have built and specialized. And we don't want to reinvent the wheel, in a sense, if we want to expand. So more so than, again, financial support, we need strategic support.