

"People are the same everywhere and people are different everywhere."

HANA ZALZAL

HANA ZALZAL, Founder and President

CARGO Cosmetics

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Year Established: 1995

Employees: 15

Years Exporting: 7

Export Sales: 75%

Export Markets: U.S., U.K.,

Saudi Arabia, Puerto Rico,

France, Australia



Business Description: A leader in new product innovation, CARGO Cosmetics produces a professional-quality line of make-up and brushes sold through retail stores in Canada and worldwide as well as online. Its multi-use, go-anywhere products and award-winning packaging were discovered early on by make-up artists, who use the products on TV shows like *Desperate Housewives* and *CSI*. A portion of the proceeds from a special line of celebrity designed custom lipstick shades goes to children's charities.

It was a satisfying moment for Hana Zalzal to see her cosmetics sold on Paris' Champs Elysées by international retailer Sephora. Equally significant for her business was the day Sephora opened up shop on the West coast of the U.S. "To have the product available right there for our big following of professional make-up artists was an important strategy for us," she explains.

Born in Egypt, Hana – who came to Canada as a child with her family – trained as a civil engineer, initially pursuing that as a career. But her goal was always to have her own business. A lover of cosmetics, she spotted an opportunity. "I saw the consumer mindset shifting and believed that, in the future, niche brands would really take a new foothold in the marketplace," she says. That's when the idea for CARGO Cosmetics was born.

EXPORTING A LOGICAL EARLY STEP

The company's initial foray into exporting began quickly, precipitated by demand from distributors and stores from around the world. "It was daunting to try to sort through who would be a good distributor and what would be a good store, especially in unfamiliar countries," says Hana. The U.S. seemed to be a natural progression for CARGO, "because I know the U.S. market – I watch their TV and movies, I eat their food, I wear their clothes."

To a large extent, the company's international markets were chosen because of distributors that approached it. But Hana is very selective in choosing CARGO's representatives and turns down more than she accepts. "You need distributors who are credible, trustworthy and can communicate the brand effectively," she emphasizes. "They must be able to keep the branding integrity we've created at head office, but also give it the right spin so that it resonates with their local market."

Hana is also careful about minimizing her risk in foreign markets, which is why CARGO has accounts receivable insurance from Export Development Canada (EDC) to protect it if foreign buyers don't pay. "EDC was our first choice shortly after we started exporting because of its excellent and reliable track record. And they're easy to work with."

MARKET NUANCES

Hana's experience with different cultures has taught her that "People are the same everywhere and people are different everywhere. Women's passion for make-up as a tool for self-expression is constant." And while she feels she has her finger on the pulse of the Canadian and U.S. consumer, she's still learning about the subtle nuances of consumers worldwide. Future plans for CARGO include continued growth in Europe and further expansion in the U.S.

Lessons Learned

BUILDING A GLOBAL BRAND

Recipient of *Report on Business Magazine's* Top 40 Under 40 Award in 2003, Hana Zalzal has always been fascinated by brands and knows all about building a global identity. CARGO has received media coverage in such publications as *TIME*, *The Wall Street Journal*, *People*, *Elle* and *Vogue*. Having achieved this awareness without pouring huge dollars into advertising, Hana shares these tips on building a brand that can transcend cultures:

■ **Establish an identity.** CARGO is synonymous with quality, style, innovation and good value. Its motto, Be-you-tiful™, encourages women to discover, express and renew themselves.

■ **Develop awareness.** CARGO generates publicity through event sponsorships, such as film festival parties. One year, CARGO was even the exclusive make-up in the Oscar gift baskets. Hana also seeks key influencers to use and endorse her products, such as the editors of beauty magazines, celebrity make-up artists and celebrities like Britney Spears.

■ **Create an emotional link.** Link your brand to people's lifestyles or aspirations. CARGO addresses today's women and names its products after global destinations – for example, Bora Bora is a tropical pink lip gloss. "People don't just buy a product, they buy into a brand," insists Hana.

■ **Consistently evolve.** Refresh and reinvent continually. "We are constantly trying to make cosmetics 'smarter'." CARGO builds on the support it receives from make-up artists. "We always get their input as we move forward developing new products."

DON'T GROW IT ALONE

From coast to coast, organizations exist to help women grow their businesses and expand beyond borders. They offer services including business counselling, mentoring, resources, training, financing, information, workshops and seminars. They also provide opportunities for networking and developing business contacts and leads. Be sure to check out those available in your region.

Alberta Women Entrepreneurs Association (AWE)

Services include a business loan fund.

Tel.: 1-800-713-3558 (Toll free); (403) 777-4250

E-mail: info@awebusiness.com

Web Site: www.awebusiness.com

Canadian Association of Women Executives and Entrepreneurs (CAWEE)

A Toronto-based organization for businesswomen at every stage of their career.

Tel.: (416) 756-0000

E-mail: info@cawee.net

Web Site: www.cawee.net

Centre for Women in Business, Mount Saint Vincent University, Halifax

Offerings include a one-to-one business advisory service.

Tel.: (902) 457-6449

E-mail: cwb@msvu.ca

Web Site: www.msvu.ca/cwb

DigitalEve International

A global organization for women in new media, with nine chapters in Canada.

E-mail: info@digitaleve.org

Web Site: www.digitaleve.org

Newfoundland and Labrador Organization of Women Entrepreneurs (NLOWE)

Provides services through a community-based network.

Tel: 1-877-754-0555 (Toll free); (709) 754-5555

E-mail: nloweadmin@nfld.net

Web Site: www.nlowe.org

Organization of Women in International Trade: OWIT-Toronto and OWIT-Alberta

A 40-chapter worldwide organization designed to promote women doing business globally, with two chapters in Canada.

Toronto

Tel: Amanda de Vogel (416) 866-5426

E-mail: amanda.devogel@sympatico.ca

Web Site: www.owit-toronto.ca

Calgary

Tel: (403) 214-0224

E-mail: karin@owitalberta.org

Web Site: www.owitalberta.org

Prince Edward Island Business Women's Association (PEIBWA)

Operates through a community-based network in partnership with Atlantic Canada Opportunities Agency (ACOA).

Tel: 1-866-892-6040 (Toll free); (902) 892-6040

E-mail: office@peibwa.org

Web Site: www.peibwa.org

Reseau des femmes d'affaires du Québec (RFAQ)

Includes "self-help cells" that meet monthly to exchange information and give advice.

Tel: 1-800-332-2683 (Toll free); (514) 521-2441

E-mail: info@rfaq.ca

Web Site: www.rfaq.ca

Wired Woman Society

Encourages women to explore opportunities in information technology.

Tel: (604) 605-8825

E-mail: info@wiredwoman.com

Web Site: www.wiredwoman.com

Women Business Owners of Manitoba (WBO)

Offers an annual Women Entrepreneur Awards program.

Tel: (204) 775-7981

E-mail: info@wbom.mb.ca

Web Site: www.wbom.mb.ca

Women's Enterprise Society of BC (WESBC)

Services include financing and business-to-business linking.

Tel: 1-800-643-7014 (Toll free); (250) 868-3454

E-mail: info@wes.bc.ca

Web Site: www.wes.bc.ca

Women Entrepreneurs of Canada (WEC)

A Toronto-based network for growth-oriented entrepreneurs that partners with organizations in Canada, the U.S. and abroad.

Tel: 1-866-207-4439 (Toll free)

E-mail: wec@wec.ca

Web Site: www.wec.ca

Women Entrepreneurs of Saskatchewan Inc.

Services include business loans and a youth initiatives program.

Tel: 1-800-879-6331 (Toll free); (306) 477-7173

E-mail: info@womenentrepreneurs.sk.ca

Web Site: www.womenentrepreneurs.sk.ca

Women Presidents' Organization

Provides professionally-facilitated discussions for high-level women presidents (minimum \$1 to \$2 million revenues)

through four Canadian chapters in Toronto and Montreal.

Tel: (416) 762-1990

E-mail: abalan@karioss.com

Web Site: www.womenpresidentsorg.com

Women's Enterprise Centre of Manitoba (WEC)

Services include loans for business start-up and growth.

Tel: 1-800-203-2343 (Toll free); (204) 988-1860

E-mail: wecinfo@wecm.ca

Web Site: www.wecm.ca