

EPISODE 12:

HOW MELISSA BUTLER GREW AN 8-FIGURE BEAUTY BUSINESS

You may have a talent for building incredible, one-of-a-kind work. And in the early stages of your business, crafting from your kitchen table is normal and expected. But if you ever plan to scale beyond your bedroom, you have to know the ins and outs of operations. In today's episode of WorkSmart, Morgan chats with Melissa Butler, operations queen and CEO of eight-figure makeup business, The Lip Bar.

Melissa's here to share her wisdom so you can take your business to the next level without feeling lost and overwhelmed. If you sell physical goods, that means manufacturing, distribution, and all things operations. From packaging to managing production overseas, we're breaking it all down.

MELISSA'S WHY

As Melissa puts it, without representation, we're left seeking validation. Seeking to change the beauty industry's own lack of representation, Melissa set out to launch an affordable, accessible, and easy-to-use makeup brand that didn't sacrifice quality for cruelty-free. After nailing her brand's differentiating factor, Melissa went through a series of trial-and-error before feeling confident in the A-B-Cs of operations.

WHY WORKING SMART MATTERS

A true outsider in the world of entrepreneurship, Melissa didn't have time or money to waste. She committed herself to solving a problem and made every business decision with a customer-first and data-driven approach. Don't go with your gut alone and don't feel like you need to be ingrained in a universe to innovate inside of it. Melissa established her brand as a solution for women outside of the makeup industry and that niche made all the difference.

BRINGING PRODUCTS TO THE MARKET

Staying domestic is probably not for you if you're a small business owner without lots of cash. However, producing overseas can be tricky too. Melissa recommends always having someone on the ground who understands your business and both cultures. The last thing you want is a factory taking advantage of you or essentials getting lost in translation.

BRINGING PRODUCTS TO THE MARKET CONT.

Once you've got your product produced and shipped to the US, you can organize a container for importing. These cost between \$10,000 to \$40,000 (plus tariffs) so only utilize them if you're producing mass quantities to achieve economies of scale. Remember to work off pre-established timelines (it can take months and months for this process to finalize and you want to be financially prepped). After the product is received at customs, it's time to freight it to suppliers.

THE RETAIL SIDE

Simply put, retail is hard. It's complimentary to your business, but there are fees you've probably never thought of or heard of, from special placements in Target to those image inserts with glossy photos of your product. And while that first order feels easy, is your product driving enough revenue to justify a replenishment order?

You also have to remember to drive traffic to a given retailer when you're marketing on social media or elsewhere online. Melissa recommends having an external sales group that interacts with a distributor and helps set up items in person.

COST HACKS

Order things like bottles in bulk. When you're looking to distinguish variations, print branding and distinguish each product with the sticker rather than building a custom bottle for each variation. And don't go the private label way unless you've got an established brand to support the premium price.

GET OUT OF YOUR KITCHEN

Last but not least, let go of your ego. If you're ever going to run and scale your business to big heights, someone else has to be making those hundreds of thousands of products. The equation won't balance out any other way. As Melissa puts it, entrepreneurship is all about prioritizing how you spend your limited time and your limited resources. So don't brute force entrepreneurship – you will burn out!

Remember: work smarter, not harder.

GLOSSARY CONT.

ECONOMIES OF SCALE

The cost advantages of scaling, such as buying inventory in bulk and receiving a discount for doing so.

GLOSSARY CONT.

COLOR COSMETIC SUPPLIERS

A type of emulsion lab that works with beauty products that have pigment (foundations, lipsticks, lip glosses, etc.)

SHELF PRESENCE

Placing or positioning products in a way that's intended to entice consumers.

PRIVATE LABEL

Adding your name or branding to an existing and proven formula or third-party manufacturer.

DTC (DIRECT-TO-CONSUMER)

Companies that sell products directly to consumers by bypassing third-parties or middlemen (examples of DTC companies include Casper, Warby Parker, and Dollar Shave Club)

GLOSSARY CONT.

REVENUE MULTIPLE

A ratio used to measure a company's value based on net sales or gross revenue.

DIRECT-TO-CONSUMER (DTC)

Selling products directly to consumers and bypassing third-party retailers, wholesalers, distributors, or any other middleman.

ACCOUNTS RECEIVABLE (AR)

Money that's owed to a company for goods or services.

ACCOUNTS PAYABLE (AP)

Money a company owes to another business

STANDARD OPERATING PROCEDURES (SOP)

Tasks that you've built step-by-step, repeatable processes for and can easily hand off to any new hire for quick onboarding.

RESOURCES

CLICK FOR MORE INFO

- [THE LIP BAR](#)
- [MELISSA'S WEBSITE](#)
- [MELISSA ON INSTAGRAM](#)
- [THE WORKSMART PROGRAM](#)
- [FAST FACE KITS](#)
- [M. ROZE ESSENTIALS](#)
- [ALIBABA](#)
- [CASPER](#)
- [WARBY PARKER](#)
- [GLOSSIER](#)