

Who is Mary Kay Ash?



Mary Kay Ash

c. 1915-2001

Cosmetics company founder

With innovative sales techniques and programs aimed at boosting the self-esteem of her employees, Mary Kay Ash has built the largest direct-sales cosmetic empire in the United States.

Mary Kay Cosmetics is a Fortune 500 company with more than \$1.5 billion in retail sales annually. Its work force is almost exclusively female and includes several

of America's self-made women millionaires. Ash, a business woman worth an estimated \$320 million, founded her world-famous company with an investment of \$5,000 and a vision of how to manage a product and work force based on her often bitter experiences in male-dominated business culture. Her company's success rests nearly as much on her dynamic personality and personal sales ability as it does on the quality of the merchandise. For Mary Kay the Pollyanna principle has always paid dividends, noted a People magazine reporter. Her modus operandi is a shrewd blend of business savvy and maternal warmth.

Ash began her company at a time when she could have retired. A veteran of both direct sales and the corporate boardroom, she felt challenged to offer energetic women business opportunities they might not find anywhere else. I'm like a mother who wants to give her children the things she didn't have, she admitted in People. I wanted to start a company where being a woman wasn't a liability. The perky executive succeeded even beyond her wildest dreams. As Alan Farnham put it in Fortune, Women who never led anything more demanding than the family dog for a walk have been transformed into sales managers leading up to 20,000 people each. You could do worse than emulate this ... company. How does

Mary Kay do it? By giving people recognition, not just cash.

Works Hard for the Money

The founder of Mary Kay Cosmetics is no stranger to hard work herself. Ash's own life story is both poignant and inspirational. The youngest child of Edward Alexander and Lula Vember Wagner, she was born in Hot Wells, Texas some time between 1910 and 1915. Prodded by People to reveal her true age, Ash replied: A woman who will tell her age will tell anything. What Ash is willing to talk about is her long struggle for success, a story that began in early childhood. By the time she entered school, her father had been permanently disabled by tuberculosis. Her mother worked 14-hour days as a restaurant manager to support the family, so Ash did the housework, cooked meals, and cared for her father as best as she could. Her older siblings had already left home.

Far from resenting the burdens placed upon her, Ash viewed her many responsibilities as challenges. Despite

her busy schedule at home, she was an honors student with a keen competitive streak. If there was a contest, I had to win it, she told People. One of her favorite hobbies was extemporaneous speaking - she placed second in a state-wide speech contest while still in junior high and was an honors member of her high school's debate team. She completed high school in just three years.

Any dreams Ash had for a college education were soon dashed. Her family could not afford the tuition. Instead of continuing her studies, she married a local radio star, Ben Rogers, and started a family. Money was tight for the family during the Great Depression, so Ash decided to try to help by selling products door-to-door. She began her sales career peddling a set of books called the Child Psychology Bookshelf, and within nine months she had earned \$7,500 commission on sales of \$25,000 worth of books. In the process she alienated some of her friends, who accused her of selling them something they seldom used. Taking their wrath to heart, she was determined to find a line of useful products to sell.

The answer seemed to be Stanley Home Products, a direct sales company for housewares and cleaning solvents. Soon after signing on as a Stanley consultant prior to World War II, Ash borrowed \$12 to travel to the company's annual convention in Dallas. There she saw that year's Stanley Queen of Sales crowned.

What particularly impressed Ash was that the Stanley company gave their Queen of Sales an expensive alligator handbag as a prize. She left determined to win the following year. She carried a picture of an alligator purse in her handbag, wrote her goals on the bathroom mirror in soap, and threw herself into selling Stanley products. The next year she was crowned Queen of Sales. To her dismay, she discovered that her prize was not a beautiful handbag, but a flounder light - a special lamp to use while fishing at night.

Ash's profits far exceeded mere prizes and recognition, however. By setting a goal and pursuing it vigorously, she had earned enough money not only to support her family but to pay for college classes as well. At 27 she enrolled in undergraduate courses at the University of Houston, intending to become a doctor. The ambition was short-lived: her husband returned from military service and demanded a divorce, and in the ensuing period of emotional turmoil she decided to quit college and concentrate on a career in sales. With the help of her children, she became a regular top-earning sales representative for Stanley Home Products and was eventually promoted to manager. Still she felt her talents were being wasted among Stanley's mostly male management team. I worked under a branch manager who promoted at his discretion, and I began to see that my whole world was hemmed in by a man who didn't want me to succeed, she explained in *People*.

In 1952 Ash left Stanley to work as the national training director for the World Gift Company, another Dallas-based direct-sales firm. In little more than a decade she extended World Gift's distribution into 43 states and earned herself a position on the company's board of directors. Once again, however, she found that her suggestions fell upon deaf male ears. More than once her ideas were dismissed with the comment, Oh, Mary

Kay, you're thinking just like a woman. She decided to quit after a man she had trained was named her supervisor and paid twice her salary.

Bitter and frustrated over the way she had been treated during her company days, Ash decided to take an early retirement. She had remarried, and she thought she might stay at home and write a career guide that would help other women avoid the pitfalls that had marred her working life. She began making notes of all her negative experiences in business and then made extensive lists of positive experiences that might result in better productivity and happier, more confident employees. What began as an outlet for personal frustration became, in a period of weeks, a blueprint for a workable direct-sales company - the dream company for which Ash herself would love to work. Then an idea occurred to her: perhaps she should start such a company herself. All she needed was a product - something that could be used up and re-ordered again and again.

Discovers Formula for Success

For nearly a decade Ash had been buying skin softeners from the daughter of a hide tanner who had developed the formulas from tanning solutions. The potions smelled terrible but were very effective in keeping her skin young looking and smooth. Recalling her use of the home brewed skin tonics, Ash told People: They were dark orange and smelled like a skunk, but they made my skin so soft. I'd be giving a Stanley demonstration, and a client would say, 'We know about that bowl cleaner, tell us what you've done to your face.' Ash had discovered her product. Using her life savings of \$5,000, she bought the recipes for the skin softeners, furnished a modest storefront in Dallas, and set up a small manufacturing plant. Her first employees included her husband, who handled the legal and financial matters relating to the business; a chemist to create a line of basic skin care products; and a sales force of nine of her friends.

Just a month before Ash's business was set to open, her husband collapsed and died of a heart attack at the breakfast table. Soon after the funeral, her lawyer and accountant tried to discourage her from continuing with the business plans. She paid no attention to them. On September 13, 1963, she launched Beauty by Mary Kay.

From the outset Ash's company was somewhat different from other direct-sales concerns. Her salespeople were called consultants. They were encouraged to demonstrate the productson clients at home classes aimed not only at selling cosmetics but at fostering better self-images among women customers.

Through sheer hard work and enthusiasm, Ash, her son Richard Rogers, and their cadre of consultants made some \$198,000 in wholesale sales the first year. The following year the total reached \$800,000. By that time, Beauty by Mary Kay had been rechristened Mary Kay Cosmetics and had attracted a sales force of 3,000 women. Aware that customers became suspicious when she touted the wares herself, Ash made no direct sales but rather managed the affairs of the company, especially the important task of motivating and rewarding her consultants.

Mary Kay Cosmetics went public in 1968. The company's greatest period of growth - beyond its formative years - came in the 1970s and early 1980s, when stock prices rose by an astonishing 670 percent. During a period of shrinking sales in the mid-1980s, Richard Rogers bid successfully to buy back shares of Mary Kay stock in order to return the business to private ownership, allowing it to remain in the family hands. Ash became chair emeritus in 1987 and was succeeded by her son Richard. She is, however, still quite actively involved in the business on a daily basis. From its base in Dallas, Mary Kay Cosmetics has grown into an international empire, with consultants throughout Canada, Europe, and even the former Soviet Union. The corporate headquarters is a nine-building complex in Dallas, and products are developed and manufactured at a state-of-the-art facility in Texas. Animals are not used for product testing, and the company has been cited by the United Nations Environment Program for exemplary leadership in promoting sound environmental policies within the cosmetic industry.

Perhaps the most outstanding characteristic of Mary Kay Cosmetics, however, is the enthusiasm of its sales force. This infectious fervor for both product and company philosophy is largely the result of Ash's personal philosophy. Nothing less than a guru to many

of her employees, she has showered her top performers with lavish gifts and public praise. Every year the company awards the trademark pink Cadillacs, diamond jewelry, and five-star vacations to outstanding consultants, managers, and recruiters. Winners of the prizes are feted at the annual seminar that serves as a convention for the legion of Mary Kay workers.

Fortune magazine estimates that among the company's 300,000 consultants are 74 who have earned commissions of more than \$1 million over their careers, another 6,500 who are driving the complimentary Cadillacs, and several hundred who earn six-figure salaries - almost all of them women. A consultant can start a career as a Mary Kay salesperson with an investment of about \$100. For many, selling Mary Kay products is a second job; for others, what began as part-time work has become a full-time job in a company that values its female staff.

The affection Mary Kay Ash's work force feels for her was the subject of much amusement in the business world for a time, but now other companies are studying

her program of self-esteem boosts, generous incentives, and old-fashioned, God-and-family-centered values. For her part, no amount of ill health has managed to divert Ash from the important task of leading her cosmetics consultants by example and sheer good will.

More than a captain of industry, Mary Kay is a sort of mascaraed Moses, leading her chosen people to a promised land brimming with personal pride and her trademark pink Cadillacs, wrote a People reporter. Asked the secret of her success, Ash points to the enormous diamond-studded bumblebee pinned to her shoulder and explains that by the laws of aerodynamics, bumblebees shouldn't be able to fly - their wings are too fragile to lift their bodies. It's just like our women, she concluded, who didn't know they could fly to the top, but they did.