

CHAPTER 5

Adding Value: Building Mutually Beneficial Strategic Partnerships



Dana Hill, Founder and CEO, Cocotique

In today's business environment, it is almost impossible to successfully go it alone. Building a foundation through strategic partnerships is advantageous for any enterprise. However, for small businesses, it can be a critical component to their success and longevity. Regardless of the size of the enterprise, ideal partnerships are mutually beneficial in that both parties can gain an advantage by the alliance. Unfortunately, many small businesses do not seek out partnerships as they underestimate the value that they can bring to a large corporation due to their short amount of time in business or their limited experience. Understanding the needs and objectives of the potential partner and how you can help them fulfill that need, and vice versa, can ensure partnerships that are robust and set up for success.

Dana Hill is the Founder and CEO of Cocotique, a deluxe beauty box subscription company for women of color. Launched in 2013, Cocotique is a digital beauty platform that delivers the best in beauty and lifestyle products to subscribers each month. From skin care, fragrances, and makeup, to hair care and lifestyle categories, Cocotique curates an assortment of products that appeal to women of color. The "Cocotique Experience" comes full circle with an online magazine that not only features an in-depth look inside the brands in the box, expert tips, and tutorials but also provides subscribers with informative articles on beauty, health, fitness, fashion, and entertainment.

Partnerships are imperative for a business like Dana's. She shares her story of how she has been able to leverage previous relationships to establish strategic partnerships that have been advantageous for everyone involved.

A Thriving Career

Dana received a BBA degree in Marketing from the American College in London, where she graduated magna cum laude. She began her career in the fashion industry as an assistant market editor in the fashion department at *Vogue* magazine, and later moved to *Harper's Bazaar* magazine as an assistant fashion editor. She then transitioned into public relations and marketing when she headed up the PR/marketing department for Phat Farm for six years and was instrumental in the launch of the Baby Phat brand. As vice president of marketing and PR for Phat Farm, and later as vice president of marketing for Rocawear and Eve's clothing line Fetish, she designed and implemented numerous integrated marketing, PR, event, and advertising programs that increased brand visibility, market presence, and sales.

Dana's experience outside of the fashion industry includes serving as senior director of artist development at Arista Records, where she gained invaluable entertainment industry experience. She also spearheaded the development of GA1's public relations department, a marketing and advertising firm in Maryland. She was responsible for overseeing the day-to-day activities of the public relations and marketing department, including media outreach, strategic partnerships, and the development of communications plans for its clients in the government, health-care, nonprofit, hospitality, and consumer products sectors.

Entrepreneur in the Making

Prior to launching Cocotique, Dana founded the Divine Marketing Group, a boutique public relations, strategic marketing, special events, and luxury gifting consultancy specializing in fashion, jewelry, beauty, and lifestyle brands. Divine Marketing Group provided communications, gift bag production, event production, brand

management, and strategic marketing services to fashion, beauty, jewelry, restaurant, and lifestyle clients. In 2002, Dana was featured in *Honey* magazine as one of “25 Women Making it Happen.”

Going Out on Her Own

Dana started her business after working for other people, building widely recognized and celebrated brands for many years. Like most entrepreneurs, she wanted to be in a position where she was in control of her destiny. She had successfully helped several companies grow into thriving, global entities, and knew that if she applied the same dedication and drive to her own business, she could have the same level of success.

While there were other companies similar to Cocotique, Dana realized that few beauty brands catered to or addressed the beauty needs of women of color. With her extensive beauty background, she saw a need in the marketplace, and after thoroughly researching the competitive landscape, she started Cocotique in April 2012. “I began building the website in January and launched the social media platforms a month later to start building our social media presence. By getting a head start with our social media, it helped to start laying the foundation for the company. By using this strategy, we already had a healthy social media following when we launched the website and shipped the first box in August of that year,” says Dana. “In fact, we were able to secure several beauty brands who learned about us from our social media presence,” she adds.

Choose Partnerships That Create Value

Starting a business is no small feat, especially for a business like hers in which the market is still in its infancy. Dana knew that her business would be heavily dependent on partnerships, but strategic partnerships only work when both parties benefit. Having spent years

in the beauty and urban markets, Dana had amassed an impressive network of contacts, connections, and potential strategic partners. However, she had to carefully assess these business relationships and identify those that would best align with her business model. She had to look at every angle of both her business and the partnering business to determine the greatest opportunities for partnership and growth. She determined the best partnerships were those that presented a mutually beneficial opportunity for both companies to increase their capabilities with an alliance. Open communication between both companies would be essential for a successful association and to maximize the synergies to the fullest. “I tried to target companies that would best align with my business model—a beauty centric, e-commerce company targeting women of color,” says Dana.

In order to create the most value, she had to first determine what her company’s and the other company’s strengths were, and then figure out how their respective businesses complemented each other. With an end goal of better serving her customers by offering new services or products that she could not have done on her own, one of the first strategic partnerships she was able to develop was with *Hype Hair* magazine, the #1 beauty source for African American women. They created a quarterly Hype Hair + Cocotique Box, and offered subscribers a free digital subscription to *Hype Hair* magazine. This helped her create a distinct competitive advantage because no other subscription box had an alliance with a print publication.

Because of her past relationships, the first boxes Cocotique shipped were filled mostly with products from companies that she had worked with in the past or those where she knew the owner of the company. “I developed a deck that outlined the benefits of targeting my demographic and how we could help their brands gain more awareness and sales. After creating a target list of potential brand partners, I e-mailed them the deck and we either discussed in

person or on the phone how we could work together,” recalls Dana. “Early on, I did hear ‘no,’ but once they understood the business model and the potential of this market, they were willing to give us a shot. Our assortment of products has gotten much deeper, which is a testament to our success in delivering customers to our clients,” she adds.

Early on, the focus was on building equity and credibility by featuring well-known companies. Knowing how critical the Internet was to the beauty industry and the success of her business model, she also started working with beauty bloggers before the actual launch. She featured a different “COCOBlogger” of the week leading up to a launch on social media. This foundation enabled Cocotique to grow at a much faster rate, and these alliances gave the company a competitive advantage and access to a wider range of expertise and resources. “There is no doubt that these partnerships gave our brand more equity and differentiation from our competitors,” said Dana. “It has been a great benefit to have strong strategic partnerships and allies to help grow Cocotique.”

Study the Industry . . . Yours and Your Partners

Before seeking to establish partnerships, Dana knew her industry, her company, and the value that she brought. She sought out those partners who had a specific need to fill and determined how she could fill it for them. She studied not only her strengths and weaknesses but those of her partners, and sought to develop a plan to help them overcome their weaknesses by capitalizing on her strengths and vice versa. “To have a successful alliance, it is essential that the partnership be mutually beneficial to both entities,” she says. “The best partnerships are when each partner has strengths in different areas and the combination of the two results in a bigger whole. Generally, the more collaborative the partnership or alliance, the more successful the endeavor is. By bringing a shared vision and strong core

values to the table, coupled with passion and dedication, you have a great start to forming an alliance that creates value,” she adds.

Leverage Partnerships to Expand Your Reach and Lower Costs

While she had extensive relationships, Dana knew that as a start-up she could not have the impact that she wanted and that the product warranted without additional assistance. In addition to the subscribers she was able to secure prior to launching Cocotique, by developing the strategic partnership with her first partner, *Hype Hair*, she was also able to leverage their database of subscribers at no cost to her. In return, *Hype Hair* was now able to present their subscribers with a new product offering, which helped further solidify their positioning as a beauty destination for women of color.

Small businesses can benefit from strategic partnerships by the decreased costs associated with shared resources for marketing, advertising, tech, and other business areas. Dana’s ability to leverage this relationship was instrumental in her overall marketing strategy to quickly establish Cocotique as a leader in the beauty industry.

Use Your Network

Dana’s early experience at Phat Farm working alongside Russell Simmons, who could only be described as one of the preeminent entrepreneurs of our time, proved to be as incredible an experience as it was invaluable. She easily considers him an phenomenal mentor and a positive influence. Her working closely beside him had a huge influence on her as she observed and absorbed what it took to grow a company, as well as how to effectively manage multiple aspects of running a business. “No job is ever too big or too small,” says Dana. “It’s all about getting it done by any means necessary in a smart, efficient way.”

Now that she has gotten past the start-up stage, she has assembled a strong network of advisers, most notably Len Burnett, Co-CEO and Group Publisher of Uptown Media Group and former Group Publisher of *Vibe Magazine*. Each individual provides critical insights and help as she prepares to raise funding to take her company to the next level and bring her luxury beauty boxes to women of color everywhere.

50 Billion Dollar Boss Moves

To develop strategic partnerships that add value and are mutually beneficial, you should:

- Choose partnerships that create value;
- Study the industry . . . yours and your potential partner's;
- Leverage partnerships to expand your reach and lower costs; and
- Use your network.