

Inventing a \$47 Million Empire

In her book, Barbara Carey shows how your ideas can make you a millionaire, too.

By: Janet Holloway | 01/28/2008

Barbara Carey could sell bows and arrows to the U.S. Defense Department if she chose--and, most likely, get better than 30-day terms and no "guaranteed sale" in the contract.

Carey is smart, really smart. Especially when it comes to introducing new, unique products to the mass market through anchor retailers such as Kmart, CVS and QVC. She's invented more than 100 products--Hairagami, Snap Its, the Bloom Bra, Ditties and, yes, tampon vending machines for your local pizzeria or arena.

Author, mother, entrepreneur and phenomenon in the world of sales, Carey has turned a \$6,000 personal investment into a \$47 million business, mostly through her ability to establish good relationships with customers, vendors and manufacturers.

"It's about trust. I always do what I say I'll do," Carey says, "and everyone wants to do business with someone they trust." In addition to her inventions, several patents and awards, Carey has just published *The Carey Formula: Your Ideas Are Worth Millions*, a book she describes as a "roadmap to the American Dream."

Over a 20-year period, 47-year-old Carey has started seven companies, invented hundreds of products and had a few failures in business. "In the beginning, I knew nothing about mass merchandizing and did all the wrong things," she admits. She shares these difficulties, her successes and what it takes to get the order in her book.

"Passion and perseverance are what it's about," she says. In the late 1990s, for example, Carey and her husband were nearly bankrupt from an entrepreneurial venture gone bad. She spent \$4,000 of their last \$6,000 on a red Donna Karan suit and left San Francisco for Kmart headquarters in Troy, Michigan. Just eight weeks before Halloween, Carey had an idea for a unique, educational costume. Sleeping in her car and washing up in gas station lavatories along the way, she arrived in Troy to present the prototype of her "Who Am I?" disguise to the buyer.

She left Kmart that day with an order for 299,000 Halloween masks, 10-day payment terms and an anticipated profit of more than \$500,000. Carey says she rushed to call the manufacturer she had met on her trip, promising to pay in 11 days if he could deliver the product in nine. He delivered in seven. "Some people thought I was crazy to spend all that money on a suit, but it made me feel like a million dollars, and I was confident and looked my best when I met the Kmart executive."



Carey's golden rule for business success is to get the order first. Then find a manufacturer who is willing to get paid with funds from the sale. Finally, use some of the profits to promote the item and create demand. Everybody wins: Products move off the shelves, and everyone gets a piece of the action. Her businesses are entirely self-financed as a result.

"Getting the order from a large retailer really gets people's attention. Suddenly banks start competing for your business, and manufacturers want to work with you. You have to have a credible product and know the perceived value of that product, but most important is knowing your customer," Carey says. "Getting orders is a process, not a one-time event."

Carey has turned that process into a winning business strategy. "I tell the buyer, 'The more I get to know your organization, the more I like it (if I do). But I don't want an appointment just yet. I want you to know more about this product. I'd welcome your thoughts,' " she says. In each contact, she provides a little more information and shows the buyer how she's meeting development goals. As a result, the buyer's interest increases. "They develop an emotional attachment to me and my product. Then the sale is basically done."

Of Carey's many inventions, Hairagami has been the most successful, with more than \$80 million in retail sales throughout the world. Ditties and vendPINK are close behind and close to Carey's heart, as she donates 20 percent of the proceeds to support a breast cancer outreach organization called Y-Me. Hairagami was inspired by Carey's own frustration with the time required to style her hair each day. After researching and testing samples of heated, thin sheets of steel in her garage, Carey developed a "works-like" prototype that transformed her flyaway hat hair into a neat bun at the nape of her neck in just seconds. She picked up the phone and called QVC's president. "I knew Hairagami had to be on a home shopping channel." QVC agreed, and sales surpassed \$10 million.

Amid all this success, Carey is most proud of her son, Rich Stakowski Jr., who, as a preteen, invented a full line of pool toys, won the Ernst & Young "Entrepreneur of the Year" award, and, at 13, sold his company to Wild Planet. His water toys are sold today at Toys "R" Us, Target, Kmart and other stores around the world.