

EPISODE 925

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[INTRODUCTION]

[0:01:02.1]

FT: What does it take to go from growing up in poverty to running a multi-million dollar business and having a TV show on The Oprah Winfrey Network? Our guest today knows all about this. Welcome to So Money, everybody. I'm your host, Farnoosh Torabi.

Well, Mahisha Dellinger had a very tough financial upbringing. She was determined to succeed. After college, she graduated and began working in marketing at Intel. While it seemed like a great job, the dream job, stable company with a lot of perks, a big part of her always wanted to strike out on her own. She got the idea to begin an eco-friendly line of hair products for naturally curly hair, and we'll talk about how she transitioned from corporate America to taking the leap to ultimately start Curls. It was an idea that has in five years scaled big.

Curls has now teamed up with Target to bring her products into their stores. Mahisha is also the author of the book *Against All Odds: From The Project to the Penthouse*. Her business has even caught the eye of Oprah, and Mahisha has had the opportunity to have her own show on The Oprah Winfrey Network. Mahisha talks about not really being able to secure a small business loan, despite having good credit, despite having good sales, why that served her well in the end.

Here's Mahisha Dellinger.

[INTERVIEW]

[0:02:21.0]

FT: Mahisha Dellinger, welcome to So Money.

[0:02:23.9]

MD: Thank you. Thank you for having me.

[0:02:26.3]

FT: Okay. It's 2019. 17 years ago you left your position at Intel and decided to venture into entrepreneurship. I mean, the rest is history, but can you believe how far your life has come in those – I mean, almost 20 years. When you first left your job in 2002, what were your thoughts? Were you confident? Were you nervous?

[0:02:52.1]

MD: Actually, I left Intel Corporation, but I kept the day job, which is one of the key things I always, always suggest. I actually started working for Pfizer Pharmaceuticals, so I can actually have a little more flexibility with my schedule. I did that 8 to noon. I was able to get all my doctors seen by noon and came home and worked on Curls. I kept the day job, because I'm a firm believer in number one, being conservative, number two, making sure that every dollar, when you're brand new business, that you make is reinvested right back into the business. I had my Pfizer salary that I actually kept for the household and then I used Curls dollars to get reinvested back in the business. I am not the one that really would jump out and leap out "on faith" a 100% without having enough background and sales history. I did take it slow.

[0:03:52.1]

FT: I love that, because I think often when we hear about these business success stories, we sometimes skip the part about the conservative thing that the entrepreneur did, the practical thing that the entrepreneur did, because we associate entrepreneurship with taking risks and really putting yourself out there. I really, really appreciate that.

Now, while you're at Intel and while you were there you were working in marketing. Where did you get the inspiration for what became Curls, which is a eco-conscious product line for natural curly hair; it's available everywhere, including Target, when you were sitting at your desk?

Obviously, that's not where the inspiration may have come from, or maybe it did. Tell me how you got the aha, the idea.

[0:04:42.4]

MD: Well, actually it was birthed out of two things; need and also despair. The need came from me being a newly natural mother looking for options for my hair. Back then they weren't many. When you went down the ethnic aisle, everything was heavy, a natural oil, relaxers. I don't want any of that. It was just a really still category back then. I saw an opportunity to make a shift there. Also, there was a new trend that showed that women of color were foregoing relaxers and we're looking to go back natural. They were looking for products to enhance the natural hair. I came in right at the cusp of that.

Also, I was pushed into entrepreneurship after having experience in corporate America for the first time, with corporate racism and experienced that hands-on, which was extremely stressful and jarring, because I had become targeted and was going to be let go within a six-month timeframe. It was documented and I was a young mother. That moment really did scare me.

I decided, once I got through it, I actually wind up ending up on the other side of this, because the person who had targeted me left and went to a different Intel location overseas. I got a new manager and that manager came in without that same set of biases. I actually was able to get past it and move on. I got out of that corrective action plan that he wrote up for me, to get rid of me. He saw my value, my worth in all my work, but it was enough, still even though I got through it, was enough for me to go, "I never want to be in this position again." I wasn't expecting to be there, but it really opened up my eyes and say, "Okay, I'm going to work for myself and control my destiny," and that's what pushed me into entrepreneurship.

[0:06:40.1]

FT: That's of course the despair part of the story, but it had a happy ending.

[0:06:45.4]

MD: Right.

[0:06:46.6]

FT: What were the first few years like? I mean, already you're a mom, I know you're straddling both corporate America at this point and starting your business, reinvesting what you're making from Curls back into the business. You made about, I believe I read it's \$85,000 in the first year and then you just kept growing and growing and growing. How did you balance everything? I mean, forget balance. How did you juggle everything?

[0:07:12.7]

MD: Well, I know so I had my job at Pfizer, I launched Curls, I had an eight-year-old and then two additional babies back-to-back after that. Insanity. It was insane. I think it was all about one, having the right – having a good community, strong support system. My husband's extremely supportive. I couldn't have done it without him. We also had to help my mother. We had a nanny. I had not a lot of staff at the beginning, so it was really the home front that where all the support came from that enabled me to do so.

I really definitely give my husband all the credit, because those many times where I dropped balls trying to manage – keep this business off the ground, he picked them up. Without him, I couldn't have done it. Hands down.

[0:08:01.9]

FT: Well, I want to later get into more of your perspectives on things, like parenting and money and motherhood. Focusing a little bit more in the business for a moment, what would you say is something that you wish you had known about starting a business from scratch and then scaling it that you learned the hard way?

[0:08:25.0]

MD: Well, I think I learned a lot of lessons, but the one about scaling is really one that I actually always come in, talk to people about planning. Planning how to scale and how you're going to get there and failing to plan is planning to fail. Now I happen to – was a bit lucky, in the sense that I did not have a plan to scale. I had a business plan and a marketing plan, but going from 1 million to 5, or 5 to 10 and then from 10 to 50, those are different obstacles and how to scale it becomes increasingly challenging.

Not having a plan was something that I learned the hard way, because I realized you can't just transition your business and increase its – most and do so multiple times, so having a plan and I realized that really the hard way. I had to go back and revisit everything. I thought once I – I had this plan, I had this great product, I'm going to soar, awesome. I did so at the beginning, but once I had to jump and increase the business, I had to figure out how to do that and I had to get help.

Getting help was one of the things that I did midway as I scale to retail. I wish I had done that earlier. Lesson learned. I always now tell people, everyone I speak to that you have to have in goal of course, implant, plan to scale, but also an exit plan. Those are all the plans we need to have in place with business owners.

[0:10:02.6]

FT: The exit plan. How far from the exit plan are you right now?

[0:10:09.0]

MD: It's so funny. I get a lot of requests, at least one to two a week, where I get requests for e-mails asking if I want to sell, if I want an investor. Today, I have 100% ownership. Haven't taken any investors and haven't sold the business. I'm still here. We have a lot more to do.

[0:10:30.2]

FT: Wow. Did you do that intentionally, not raise money, not bring on investors? Was always the plan?

[0:10:39.9]

MD: Actually, no. Good question. I actually went to try to get a business loan and quite have an exceptional personal credit. I cannot get a loan to save my life and that was why I started small. I thought I was going to launch big, go grand, then hit retail quickly. I'm glad it didn't happen, because starting small let me number one, learn the mistakes that I made on a small scale without the risk of losing money. Learn, grow, improve, learn, grow, improve and continue that cycle without having exposure, increased exposure of owning someone to being large, like on a retail shelf and getting kicked out if you can't perform.

All those reasons were why I'm glad that I started small and grew it, because it became a sustainable business and not a business that would fail. Most businesses fail within the first five years. I believe that had I gone the other route that I thought I wanted to, which was funding day one, I probably would have been one of those statistics.

[0:11:46.4]

FT: Well, speaking of statistics, Mahisha, given that you were raised from the projects. You wrote a book called *Against All Odds*. You are someone who's well aware of statistics. What do you think it was about you that allowed you to persevere, that allowed you to basically beat the odds, given that probably some of the friends you grew up with are still struggling?

[0:12:17.0]

MD: I definitely attribute my sheer whale determination, perseverance, grit, all those things are needed to succeed and I definitely know I got that from my childhood rearing. Having every odd stacked against you, gives you a will to fight, or it gives you no will, where you actually give up and just fold and become part of your environment. It does one of the two things and I chose the former. I wanted to change my life. I know that having nothing and having to fight for everything

growing up, gave me – today I'm strong, because of it. I don't give up easy. I don't take no as a permanent no. It's a pause for now.

I keep finding a way. I know that I continue to evolve and I'm aggressive and assertive and I'm and I'm hungry, because I know that where I came from, I don't want to go back to and I have the will, determination, perseverance and attitude of success. It really has benefited me.

[0:13:27.3]

FT: You know what? I love what you didn't use, what word you didn't use there was luck. Because I think a lot of us, especially women, we attribute our success to just well, I was lucky. Yeah, have you heard that? I hear that a lot. I think, there have been a lot of analyses on that too, just that we're not very good at owning our worth and our value sometimes. Or maybe we think it could come across as like, I don't know. We're just concerned about the optics sometimes and we want to just show that we're grateful. In doing so, we don't want to get all the credit.

I love that you completely own your success. I'm not surprised. I mean, it's probably why you are successful is because you know your worth, you know your value and how you got here, so that you can continue doing the good steps. What's a specific memory from childhood, where you learned about money?

This is a question we often ask our guests, because I believe that who you become as an adult when it comes to a lot of things in particular, your relationship with money is not inconsequential. There were episodes growing up that informed and directed you. What would you say is one really vivid memory from childhood that impacted either your relationship with money, or the way that you think about money?

[0:14:59.6]

MD: Very good question again. Well, very good question. My mother and father were never married. He was a very successful engineer, graduated from HBCU, Tuskegee University and came from a prominent family. My mother didn't. Therefore, they weren't compatible, besides

their tumultuous love affair, I'm probably a product of that love affair. I saw how my mother lived, how we live. My primary home was with her. We live paycheck-to-paycheck.

She was always obviously gone working. I was a latchkey kid, let myself in, took myself to school, got myself up. This is 1st grade. Walking to school, getting myself dressed, home, hairbrush, comb, make my lunch, make my breakfast, take myself to school by myself 1st grade. I have four kids, could never imagine that today.

Then bring myself home. Do my homework first, without anyone at home. I would do my homework and then go play. I always was responsible, independent. I would go to see my father every other weekend or so and he lives a different way. It was very much where you could go to a restaurant – well, number one, go to a restaurant, that was a big deal. Two, order whatever you wanted, that was a big deal. Three, go shopping. He took care of me financially. In the sense, he took care of my clothes and I guess he paid some child support at some point.

I would go shopping and I can do whatever I wanted on and just take everything I wanted. There wasn't a limit. The lifestyles were so completely different. I saw, okay, how do you want to live when you're an adult? House A or house B? It was very evident that success is attributed to education. A lack of it was contributed to poverty. No-brainer. All right, I'm going to be the first to finish high school, because everyone else got GEDs and I'm going to college. That was a no-brainer.

My father also really always, always, always preached that to me. He made it very clear. It was a direct correlation between the two. It was a no-brainer. My relationship with money, I saw how on my mother's side how people spend. It wasn't on the mindset – the millionaire mindset was lacking, put it that way. You don't have a nice car or lived in the projects.

Those things you just don't do, right? A lot of mistakes made if with money that people still do today, of course, but I really realized that saving, investing and spending wisely was much better than being project rich, where you're in the hood with a nice car and the fancy clothes.

I instantly realized, okay, how to manage money is by making sure number one, you live below your means. That's something I'm still a fan of, despite the success of my brand, I still live below

my needs. It's because I understand that sustaining wealth is to do so. I'm thankful. I thank my father, who has given me a lot of wise lesson, but watching on the other side also.

[0:18:23.5]

FT: What's your relationship with your parents today?

[0:18:26.6]

MD: My father s deceased. Unfortunately, he passed away in '99. My mother, we're closely – after I moved here from Sacramento to Dallas, she moved by three months later. She's very active with my children. A big piece of that, like I mentioned my support system. She's always been around and very much integrating my family and my life. She's a second mom to my children. She later went on to have a little more corporate success, if you will. She became a senior claims examiner. Her lifestyle changed as she got older. Then now, of course I assist and help a lot my mother today.

[0:19:14.2]

FT: That's great. I mean, I'm very sorry to hear about your father, but it's nice to know that you have still a very close relationship with your mom. I know family is really, really helpful and important as you get older. As now you are running a business and you have a big family, it's nice to be able to have your mom close by. What's been some financial planning that you've put into place? Family planning that for you defines financial success?

This is a question that comes from our sponsor Chase and we're asking our listeners for a tip, a strategy, maybe some system that they put into place that for them helps them achieve financial success, freedom, however you want to define it?

[0:20:06.8]

MD: Yes. Financial success, freedom for us is diversification, number one. That was from the how we invest. Our financial advisor understands our goals. Both our portfolios are very diverse,

so we start there at the basic level, right? We also have estate planning for children. We have four kids, so they're set up nicely.

We also are diversifying with business too, not just Curls, but other industries that we're going into. Then we're also having to real estate. Diversification across the board is how I achieved success. It started with Curls of course. Curls was the bread and butter, but it actually opened up the opportunities for us to do other things as well.

[0:20:57.0]

FT: You live in in Texas now. Tell us what about living in Texas, running a business. I find that geography is a big factor when I interview guests in terms of their ability, or inability to build wealth. What's it like in Texas? Should we move there? Is it good cost of living?

[0:21:16.9]

MD: Oh, I love it. Yeah, I love it. I would never move back to California. I'm born and raised in California and never lived anywhere else. I love it here. I think number one, okay, I was on date night with my husband one year and we were contemplating moving to Texas. We weren't sure what city yet. I have my accountant do a mockup of taxes if I stayed in California and if we moved to Texas. I saw that. I'm like, "Wow, okay. It's time to go." We made that decision after he did that analysis side-by-side comparison.

Beyond the savings and taxes, of course, there's a great labor force here. A lot of corporations are moving their headquarters here, but it's also centrally located. I can get to any – one of my vendors, same day when I was in California, it took a full day to get where I had to go. Most of my stuff is on the East Coast. I already was manufacturing here in Dallas, so when I lived in California. It just makes sense. It's just overall, a better location for me. Of course, the landscape. You can't beat California landscape. I go on vacation. That's what vacations for.

[0:22:26.9]

FT: Yeah. All that savings and state income tax, right? No state income tax, right?

[0:22:31.0]

MD: Right.

[0:22:32.2]

FT: Oh, my gosh. Yeah, it's tempting. I'll tell you that much. Now, tell us a little bit about the Oprah show, the OWN Network TV show that you have. How did that come about? Are you having fun?

[0:22:49.0]

MD: Awesome. Well, yeah. Actually, we wrapped that season one. It's been oh, gosh, a while. I think it was April of – No. No, no, sorry. June of last year, we wrapped season one. The show Mind Your Business with Mahisha on the OWN Network was actually helping women of color achieve entrepreneurial success. That came about as a result of – the producers saw that I was working in that atmosphere already. I was already helping people. It was not really publicized, but I in my name started getting around in circles at different circles of mostly reality stars that were looking to brand their products and to help get in retail.

One person told another, another person told another. It winded up becoming a thing where Mahisha was contacted how to brand yourself and your product and how to achieve success and how to change obviously, your whole image from maybe being a reality star to become actually a legitimate business owner that's respected, and how to change – how to go about packaging and how to do pricing and how to get distribution and all the things that these ladies actually didn't know. That's how it happened.

One of the ladies from a reality show actually mentioned into one of the producers and they reached out to me. A few different networks were interested, but OWN took it quickly and the rest is history.

[0:24:16.1]

FT: That's wonderful. Building the empire one platform at a time. I love it.

[0:24:22.1]

MD: Yeah.

[0:24:24.8]

FT: Okay, so you're a planner, you've already established that. What's the plan for the next year, two, three? Where do you want to take the business? Where do you want to take your projects, all of it?

[0:24:38.8]

MD: Well, we have a lot coming up. I'm super excited, because I'm actually exploring a very new industry. We can talk about it more later, but as sounding out of the beauty industry going to completely different world, which is exciting and also a little scary at the same time. I think it's great, because it's enabling me to again, like that you heard, I'm all about diversification, so that's the purpose of this new industry.

I see great opportunity, and so I have to definitely capitalize on it and take my risk and chance and see if I can make this as successful as the Curls brand. We have a lot on our plate in that regard. I have a lot more coming down the pipeline for Curls. The biggest thing on my plate right now is the new businesses I have coming up.

[0:25:26.5]

FT: Wow. Well, I'm getting the sense that you're very thoughtful about the risks that you take. What do you examine when you're – like thinking of a new business venture, which you're in the midst of now, you're approaching a new business idea. What are the questions you want answers to, so that you can feel more certain about going forward, knowing that this could totally be a loss. What makes you comfortable in pursuing uncharted territory?

[0:25:57.5]

MD: It's all about doing my due diligence and doing the market research and seeing data. I'm data-driven, so I got to see what's going on. It's okay to not be the first to market. Just do it better than the first person that did come to market. I like to see things happen. I can see first, what the data shows about the industry, see if there's a need for the product of course and that's also research. Then see if there's someone already doing it, see how they're performing. That's also important, because then you can take key learnings away and improve on it.

[0:26:31.5]

FT: All right, Mahisha, let's do some So Money fill-in-the-blanks. This is when I start a sentence and then you just finish it. You've been such a great guest. I've learned so much. I think I need to diversify my business platform to say the least. These are pretty simple, straightforward, but the key is to not overthink it. Here we go. If I won the lottery tomorrow, let's say you won Powerball. I don't know what it is in your town, but here in New York it's 460 million dollars somebody could take home. The first thing I would do is?

[0:27:07.3]

MD: I would definitely invest it in any business and in real estate.

[0:27:10.7]

FT: Wow. Then maybe take a vacation?

[0:27:15.1]

MD: Oh, yeah. Why didn't I say vacation, right?

[0:27:17.3]

FT: Right, right.

[0:27:18.4]

MD: First thing came to mind.

[0:27:19.6]

FT: Yeah, for sure. One thing I spend my money on that makes my life easier, or better is?

[0:27:28.5]

MD: My personal assistant.

[0:27:31.0]

FT: Yeah.

[0:27:32.3]

MD: Let's see. Personal assistant and caviar.

[0:27:35.6]

FT: Caviar. Ooh, that was going to be my next fill in the blank was what's one thing you unapologetically splurge on?

[0:27:44.0]

MD: Oh, okay. That's a great question. Caviar for sure and handbags.

[0:27:49.0]

FT: Handbags. What's your favorite designer right now? Who I should say? Who are you wearing?

[0:27:54.4]

MD: Chanel. Classic.

[0:27:57.8]

FT: Love it. Actually, I mean, this is – nobody should take my advice what I'm about to say, but I have heard that Chanel bags can appreciate.

[0:28:07.7]

MD: Wow. I've heard that too. I'm just wondering if that's truly the case.

[0:28:11.5]

FT: I mean, not a reason to go out and buy a Chanel handbag, but would be a nice perk, a surprise perk if it did. All right.

[0:28:19.1]

MD: I know. I know, right? I hope that's the case.

[0:28:22.5]

FT: When I donate, I like to give to blank, because?

[0:28:26.9]

MD: I love to give to charities that help battered women, because my mother was a battered woman.

[0:28:34.6]

FT: Oh, so important. In a lot of those relationships, there's the physical abuse, there's the economic abuse too, there's the financial abuse. The women feel prisoned, imprisoned because of their inability to stand on their own two feet.

[0:28:50.9]

MD: To leave.

[0:28:51.9]

FT: Right, to leave. Yeah. All right and last but not least, I'm Mahisha. I'm so money, because? Yeah.

[0:29:01.6]

MD: Because I'm a boss chick that knows how to make money and has changed her life from the project to the penthouse.

[0:29:08.8]

FT: I love it. Get that book title in. The book again is called – the book came out in 2015, but it's still a great read. Important for today's times too, especially since there's a lot of uncertainty in the market. I think that the irony is that there's sometimes more security in taking risks with your own career and your own life, instead of putting in the hands of others. Your book is called *Against All Odds: From the Projects to the Penthouse*. Congratulations on all of the success of Curls. We hope you'll come back on the OWN Network soon and hope you have a great summer with your family.

[0:29:45.6]

MD: Thank you so much. I do need a vacation. It was great being here. I enjoyed the interview.
Thank you so much for having me.

[0:29:53.4]

FT: Our pleasure.

[END]