

# Home comforts

One bathroom used to be enough – now it's two, three or maybe four and they all need smart fitouts

## HOMEWARES DISTRIBUTOR

**H**omewares distributor Anasazi Trading is proof positive Australia's obsession with "the home beautiful" is a gold mine for canny entrepreneurs. The Sydney-based business, brainchild of 41-year-old former product manager Margaret Butler, achieves annual revenue of more than \$20 million a year and 40% year-on-year growth.

Given Butler's modest start from a neighbour's garage in 1992 and a credit card cash advance of \$10,000, Anasazi is truly a business success. The firm has exclusive rights to import and distribute popular homeware brands such as Nigella Lawson's Living Kitchen range, Umbra, Interdesign and Method. It designs its signature brand Anasazi and clients include Freedom, Myer and London's famous Harrods.

Butler says such success can be attributed to luck, timing and perseverance. "When I started, people weren't really accessorising their bathrooms," she says. "We had only three or four core products including a soap dispenser, tooth brush holder and tumbler." Today Anasazi distributes over 800 contemporary homeware accessories, including 20 bathroom products from toilet brushes and roll holders to tissue boxes and mirrors.

The emergence of second, third and even fourth bathrooms in modern homes has contributed to Anasazi's growth. Design and price have also played a part. "A stainless steel toilet brush retails for around \$30," says Butler. "But 20 years ago the same item cost about \$80. A 20-piece dinner set would have cost \$300. Today they're \$29."

As with many budding businesses, cash flow was an early problem and Butler was fortunate her supplier underwrote her first shipment. She got nowhere when she approached a bank about a line of credit: "I suppose this taught me not to rely on other people."

Then there was the soul-destroying wait for a client's payment to arrive in the mail. "We managed cash flow hand to mouth," Butler says. "Whatever came in went straight back out [to her overseas suppliers]."

Despite this, Butler felt overwhelmed just once. "It was during the first year, when I went to pay the salaries and had to get [another] cash advance on a credit card," she says. "If I ever get back there again, I shouldn't be in business."



But it proved a turning point. "I didn't want to be a failure and wasn't going to sit around whingeing about it," Butler says.

Attempting to manage three roles proved difficult. "I tried to collect money, be the sales person and the director," she says. "I then made a decision to employ people who could do these things better than me. This freed me up to do what I was better at."

Establishing Anasazi as a proprietary limited company underlined Butler's determination. "My accountant advised me against operating as a sole operator. And anyway, I wasn't going to weave baskets and thought in terms of turning over millions of dollars rather than a hundred thousand." Butler says incorporating forced her to think in a more sophisticated way about business planning, insurance cover and legal requirements. "If you want to be treated as a serious business, you have to behave like one," she says.

Butler's goals revolve around her nearly two-year-old son Luca and partner Toto. Then there's travel and living in Europe, plus the creative side of her business. As for an exit strategy, she says: "I am quite unemployable after 12 years running Anasazi. Unless I find something that turns me on more than this, I will stick around and see how far we can go."

## Tips for success Margaret Butler, Anasazi Trading

### Start-up costs

Incorporation .....\$1500  
Importing licence...\$1500  
Legal agreements for distribution and licence arrangements .....about \$2000  
Rent.....\$150 a week (now \$300,000 pa).  
Typewriter.....Own  
Warehouse staff ..... Free (family assisted)  
First forklift.....\$4000 (Bought 1995. Recently paid \$69,000 for a forklift)

Stationery..... Free (A gift from Butler's printer)  
Trade marking.....\$25,000 (since 1992)

### Start-up checklist

- Register your business and consider marketing and branding.
- Negotiate upfront exclusive distribution rights with overseas suppliers.
- Understand lead times can be lengthy. Allow for pro-

duction time, shipping time, plus transportation.

- Ensure insurance cover for goods while in transit, in local storage and transport.
- Understand the customs and quarantine regulations and duties.

