

Mosbacher's Mission

An Interview with Georgette Mosbacher,
President and Chief Executive Officer, Borghese, Inc.

EDITORS' NOTE Before assuming her current post, Georgette Mosbacher purchased the high-end cosmetics firm La Prairie in 1987, served as its CEO, and sold it in 1991 to Beiersdorf. She has also served as national Co-Chairman of John McCain's 2000 presidential campaign and is Co-Chair of the Republican National Committee's Finance Committee. She received a B.S. in Education from Indiana University in 1970 and is the author of two best-selling self-help books: *Feminine Force: Release The Power Within To Create The Life You Deserve*, and *It Takes Money, Honey: A Get-Smart Guide to Total Financial Freedom*.



Georgette Mosbacher

COMPANY BRIEF Borghese (www.borghese.com) is built on a heritage that dates back to the 14th century and combines the tradition of classic Italian beauty and modern sensibility to create a wide range of color and treatment products including anti-aging skincare, daily skin maintenance, self-renewal spa care, and color cosmetics. Their innovative product line combines time-honored botanicals and cutting-edge technology to gently yet effectively address each person's individual beauty concerns.

What has helped this brand stand the test of time?

This brand wasn't plucked from the imagination of some marketing person. It has a long heritage; the quality has remained consistent – you've always gotten value for the quality of the product.

Its heritage was built on all-natural ingredients from Tuscan minerals long before all-natural was all the rage. This brand has never been a fad.

Has it become more challenging to differentiate in this space?

The competition is fierce, but we have so many new platforms to get our message out – the Internet, blogs, Facebook, television shopping; there are a lot more opportunities to target your audience and speak directly to your customer than before, and we can identify that customer better today.

Technology has given us the ability to hone in on who that customer is and what she wants, and we can speak directly to her like never before.

Who is that customer?

Our typical customer is 40 years old or older, who can appreciate our heritage, who is not driven by fads or the next new thing, and who understands quality. However, we have also been able to cross over to a broader audience – we created a line for Costco that also speaks to the quality of the product but with a value that reaches a larger demographic.

There was a time when quality was defined by certain department stores – this has changed. You can find quality in mass now, in stores like Costco and Target.

We have a greater reach but to a far more educated customer who understands you can have both quality and value, and that they do go together.

How are you able to reach those markets through other distribution channels and maintain that quality and price?

The price comes down the bigger the run; and it comes down significantly when you're talking about a Costco or Target. We maintain the same quality standards; we're just selling a lot more of it, and as a result, the cost comes down.

A lot of high-priced beauty products are about marketing, not ingredients.

What keeps the business so fresh for you?

Anytime you are engaging a consumer, you have to remain nimble if you want to succeed, and that is challenging because the consumer is always evolving. She is educated and very vocal today about exactly what she wants – and that is exciting. It's about staying in touch and trying to create those products that speak to that consumer.

We also have a whole new world in other markets like India and China. The one thing about our business is we find that women want the same thing all over the world – but there are some differences.

The Chinese customer likes whitening products, doesn't use a lot of color, and is very committed to skincare, for instance, so there are these challenges.

Can the product be the same across all markets or do you need to customize it for local markets?

To some degree, culture plays a part; but generally, the products can be the same.

The cultural differences are pretty subtle and a quality beauty product will meet the needs of any woman.

Our skin is an organ and that is the same for everyone.

As someone who is involved in the political landscape, is it tough to remain optimistic when you see what is going on in Washington?

It's very frustrating. That there is partisan bickering is not new. What's frustrating is the lack of leadership.

We have always had strong leaders who inspired and brought both sides together. I don't see that on either the Republican or Democratic side.

Leadership always starts from the top, and a true leader finds a way to bring the different sides together. At the risk of sounding partisan, we have a President now from whom we're not seeing that.

It's not new that we call each other names either, and sometimes it descends into a rhetoric that is unbecoming to either party.

However, we have been able to bridge it in the past. This has gone on too long, and everyone loses under these circumstances.

I don't see this getting better; it's only getting worse and I don't see the leadership on the horizon that is going to bridge this – that is really frustrating.

Is the future of the Republican party of concern? Is the two-party system at risk?

This is what has made us great as a country. It's why we have the most robust middle class in the world – because we have a two-party system in which we have these kinds of discussions, and we go through gut-wrenching debates, but they are important. This allows new ideas to bubble up and bad ideas to be struck down. But there would be no chance of that without a two-party system.

I don't know that it's fashionable right now to say how much trouble the Republican party is in. There is no question that it's broken in Washington.

However, if you walk across the U.S. and go state by state, the states that are governed by Republican governors are successful.

If you take the top five failing states, take a look at which party their governors are from – they are Democrats.

For those who say the Republican party is dead, that is far from the truth.

Are you worried that young leaders today might shy away from public service?

We have made it impossible to attract young leaders into public service – this concerns me more than anything. The cost involved for just getting the nomination, with all the rules and regulations, is such that you have to be rich just to afford the process. There is something wrong with that.

Also, I believe our public servants should be held to the highest standards. But we have demonized the process, and the press has worked it into a frenzy.

We feel that those interested in running for public office have to go through a destructive process just to get started, and if they survive it, they can run. That's not how it should be.

We're not going to get quality people because they're not going to put themselves or their families through the kind of things we put them through.

How critical is a continued public/private partnership to address the major issues?

It's not realistic to expect progress if we don't have that. The issues are too big for either side alone, so we have to encourage public/private partnerships – it's the only way forward.

It's tragic when we demonize business and business demonizes government. We need both. Government should do everything it can to help business succeed and business should do everything it can to make government more effective.

When we see the kind of prosecutorial terrorism that is taking place, when we see the kind of regulations that literally make it impossible for entrepreneurs to thrive in this country, this is where the danger lies.

Somehow, this idea that government is the enemy of business and business is the enemy of government is truly tragic.

If we don't fix that, we can't fix anything because it's going to take public/private partnerships to deal with these problems. What we're up against – our challenges – are too big for either side anymore.

Where did your philanthropic drive come from? How do you focus your efforts?

There is so much need. I grew up literally on the edge of poverty, where the notion was that we knew who our neighbors were and we helped one another.

My great-grandmother would bake bread over the holidays and she'd make three loaves – one was for church, one was for the family, and

one was for whoever needed it down the street; and we made a point to know who that was because we were engaged with our community.

For myself, I truly believe that it's the responsibility of every adult in the world to take care of three sectors of society: children, the elderly, and animals. This is a moral responsibility because they are the ones in society that are most vulnerable. Everything I do is based on that context.



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I also believe we have a moral responsibility to those serving in our military and their families. So few serve – less than 1 percent – that each and every one of us has a moral responsibility to take care of them and their families.

We can't ignore those that are vulnerable, because they can't take care of themselves.

How do you balance all your areas of interest?

Whether it's leading my company or reading my business plan, or being on a board like the Fallen Heroes Fund, there is a responsibility I have accepted, and I worked for that. It's just a matter of feeling responsible for what I have committed myself to; and you find time for the commitments that are important to you.

Time seems to expand or contract in what you allow for it. I try not to take on more than I can handle, and I have learned to say no, which is very important. If I commit to something, I'm going to see it through no matter what, so I'm very careful in what I commit to. I know that for me to do something well, I can only take on what I know I can accomplish.

What advice do you give young women who are building careers?

They have to go for it. You can't bully into opportunity. Women haven't become comfortable with politics. They still don't understand that politics is about money, and they will never play a really significant role in politics until they understand that.

Men write the checks and that is why they dominate politics. Women still are not comfortable doing that and haven't made a lot of inroads there because they don't understand how it works – or if they do, they're not willing to make the commitment, primarily financially.

In terms of business, it's a matter of understanding that the playing field isn't always fair, life isn't fair, and you have to persevere.

Women allow themselves to be intimidated; they feel like they have to play by the men's rules – that is a mistake. You have to be who you are, and it comes down to believing in yourself and not quitting.

Women still somehow believe this idea that we have to legislate for women to get ahead – it doesn't work that way. They have to stop wasting their time on that, and go forward and get ahead by getting things done.

Do you take the time to appreciate all you have accomplished or are you constantly looking at what more needs be done and what more you can do?

If you're ambitious by nature, you're always looking forward. But my roots are a part of me. I have never forgotten where I came from. I realize how blessed I am. I never take my life for granted. I try to make every day count and put it all into proper perspective. It's not easy, but I'm lucky in that where I came from is so much a part of me – I've never gotten far from that in terms of my values and in terms of who I am. This has served me well, because I'm close to my family and it keeps me grounded. ●