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Your Start-Up Life: Why Diversity and Freedom Are Good For Business

Your Start-Up Life is a business advice column by [Rana Florida](#), CEO of the [Creative Class Group](#). In addition to answering readers' questions she features [conversations](#) with successful entrepreneurs, creative thinkers and innovative leaders. Send your questions about work, life and play to rana@creativeclass.com

One evening, my husband and I were walking down Lincoln Road in Miami Beach with some friends to grab a bite of dinner. I didn't think much of it when I suggested we pop into a cosmetics store for a quick purchase, but the store employees couldn't have been more excited if John Lennon had just walked in. In hindsight, I should have known that there would be such a hoopla. It was a MAC store after all, and one of the friends we were with was Frank Toskan, the co-founder of [MAC Cosmetics](#).

Even though Toskan founded the company with Frank Angelo almost thirty years ago in Toronto -- and sold it to Estée Lauder in 1998 -- all of the sales and makeup experts were blown away to see him. He in turn greeted every one of them by name.

Toskan is warm and soft-spoken, but he has a bold and magnificent taste for design -- and not just in makeup but in every creative medium. His homes are impeccably curated; from the furniture to the architecture, to the art and lighting, his keen eye oversees it all.

Toskan tends to shy away from the media and rarely boasts about his success, even though he was responsible for opening some 300 stores worldwide in just 15 years. He'd rather spend a quiet evening at home with his partner, Darren Zakreski (also a successful entrepreneur), and their four adopted children than fly to Washington, D.C., where he was recently invited by the [International AIDS Conference](#) to be honored for the [\\$250 million](#) MAC has raised to date for AIDS research.

Not only has MAC set the bar high for its humanitarian work, but it also pioneered cause-related marketing, standing up for animal rights, encouraging recycling, helping children, and more. It was also one of the first companies to courageously feature a drag queen (RuPaul) front and center in its ad campaigns during the AIDS crisis. This may all seem business as usual now, but back in the '80s there were not a lot of companies featuring gay and lesbian celebrities such as Elton John and k.d. Lang as brand ambassadors.

Although MAC has partnered with such celebrities as Madonna, Ricky Martin, Katy Perry and Lady Gaga, and inked license agreements with pop culture icons Barbie, Wonder Woman, and Hello Kitty, Toskan makes MAC's early days sound quaint as he recalls how everyone in his family pitched in and boxed eye shadow around the kitchen table.

I'm so excited to share this conversation (the first in-person interview he's granted in more than 15 years) with a humble and creative tastemaker who went on to found one of the world's most recognizable brands -- and who has done so much to show how good causes can also be good for business.



Q. How did you start MAC?

A. MAC started out of necessity. I was doing hair and makeup photography and I couldn't find the right equipment to work with. At the time brushes made out of natural bristles, which are much better vehicles to pick up powder, were almost impossible to come by. So I bought paintbrushes from art supply stores and cut and shaped them to fit my application needs.

There weren't a lot of product that gave a saturated color that showed up vibrantly in photographs either. So I started experimenting. I'm a control freak; I wanted to control the entire

process. Our first product was a non-reflective matte lipstick -- the first lipstick ever that looked on the lips like it did in the tube, no shine and no distortion. The result reproduced well in my photographs.

Soon I was designing brushes, lipsticks, and powders and selling them to makeup artists like Debi Mazar, who was working with Madonna and others at the cutting edge of fashion, hair and makeup. They not only used the products, but gave me candid feedback and great ideas. It's not often that you can test your products with industry leaders -- it was a proactive way of ensuring their quality.

Q. Did you have a vision for the business?

A. I wasn't thinking of this as a large business at first -- I saw my market as my colleagues in film, TV, and print, in Toronto, New York and London. But as it turned out, models wanted to buy what was being used on them. Spice lip liner was used on Linda Evangelista for a shoot and she loved it, so she called me and asked me to send it to her. She mentioned the brand in an interview and then all of a sudden everyone wanted it.

Madonna wanted a red mouth that she wouldn't have to re-apply mid-show, so she wore our Russian Red lipstick for her Blond Ambition album cover and tour. When she mentioned MAC in an interview, other celebrities started calling and asking for more products.

We opened our first store in Toronto in 1982, on the corner of Carlton and Parliament. It was a MAC (Makeup Art Cosmetics) Pro Store. It wasn't a retail shop; it serviced professionals, providing them with ongoing education on how to apply the makeup, as well as a library and a place where they could leave their portfolios and talk to their colleagues about products and ideas. If someone needed a gallon of glitter powder for a photo shoot for 30 people, they knew where they could find it. We still have a few MAC Pro stores; there's one in San Francisco and one in New York.

Q. What traits do you need to be able to embrace instant success?

A. Our success took us by surprise; we were just working day by day. In the beginning, our core team was my brother-in-law, Victor Casale, who was our chief chemist, and my sister, Julie Toskan-Casale who with my partner Frank Angelo took care of marketing. My mom pitched in a lot too. Other than a CEO who served as a financial person and makeup artists and the manufacturers, that was it.

By 1985, demand had grown to the point that we couldn't keep up anymore, certainly not working in my kitchen. Several big retailers offered to partner with us, but we knew that if we were going to maintain our integrity we had to stay in control of every aspect of the business, from the product manufacturing to its packaging to the sales. We didn't want anyone else to come between our vision and our product.

Q. How do you choose the right retailers to carry your brand?

A. We were careful in choosing retailers that allowed us the freedom to maintain our image and culture; we didn't want to have to change who we were. I also pitched in working alongside MAC associates at the counter doing sales and makeup from morning to night. We continued to out perform all other brands in the store and it was hard to keep the product in stock.

We opened our first stand-alone retail store in 1985 at Christopher and Gay Street in NY, which was a very gay area. No one thought we would succeed. They thought it was crazy to open a cosmetics store in a gay neighborhood. But we embraced it. We had [Lady Bunny](#) working the door and other drag queens as security people. The store created such a buzz because it was always alive with people.

Michael and La Toya Jackson would call and ask us to close the store so they could shop there. The store became a point of interest for Japanese tourists, it was a show. It felt like one great big party.

Q. How do you maintain brand integrity while expanding so rapidly?

A. We had about 30 stores open in one year. We wanted to ensure we controlled the entire experience, from finding the right location to designing the product and negotiating its placement in other stores. Most importantly, we had not just sales people but trained makeup artists working the counters. Education came first and foremost; then sales. When a customer took one of our products home, they knew what they had and how to use it. This was unusual practice at the time as most retailers pushed major promotions.

Q. Did you have a culture for the organization from the beginning? Describe it.

A. It was something that happened naturally. I wanted to be happy with what I did and true to myself. We celebrated freedom and diversity, we encouraged creativity, and we embraced our differences.

Our employees were talented and knowledgeable about the industry, and we trusted them to be loyal because we let them be who they wanted to be. A lot of them weren't getting work at other makeup counters because they didn't fit the "white lab coat" mold.

We encouraged individuality, colored hair, piercings, tattoos. The value of the job was much more about lifestyle and freedom rather than promoting sales numbers and collecting a paycheck.

Q. How difficult was it to break through international markets?

A. It was hard, but we knew enough not to try to do it all ourselves. Every country has its own culture; it's best to let the local people run the stores.

Q. How do you find the right organizations to partner with?

A. It's hard to move left or right if you're a large company, but it's very easy to maneuver when you're small.

But by 1996, we couldn't keep up with the global demand. We approached Estée Lauder to partner with us on a hair supplement that Gladys Knight was interested in. They were interested in more than that. They knew MAC was a brand that they couldn't duplicate themselves. We had something that couldn't be manufactured. We decided ultimately to partner with them because they had the distribution vehicles in place to quickly expand internationally -- but at the same time, they let us be ourselves.

Q. How do you time the market?

A. We were able to react quickly to changing fashions and trends. When a magazine called and wanted a product, we could run up to the lab and make it, quickly. When the magazine came out a few months later, our product was in it, photographed and credited. We responded to the market rather than trying to create it.

Q. Tell us about your cause related marketing strategies.

A. We wanted to give our customers reasons to identify with us that weren't strictly selfish. Especially when AIDS hit, it felt natural to respond to the crisis.

Q. How do you choose your celebrity spokespeople?

A. They have to believe in our mission; they have to be sincere. k.d. lang doesn't wear makeup, for example, but she spoke to a cause that was bigger than all of us.

Q. How do you know when it's time to sell a business and move on?

A. You have to know why you're in business; you have to be honest with yourself. Success isn't always about money. Being true to who you are and your values in life matter even more. We knew that it was time for us to partner with Estée Lauder when we couldn't serve our customers well enough on our own.

The hardest part of moving on was leaving the philanthropy work. So we quickly launched the [Youth Philanthropy Initiative](#) with my sister Julie Toskan-Casale as President. Although it doesn't pack the star power celebrity of the MAC programs, its grassroots initiatives to engage and empower young students makes a huge impact on neighborhoods and communities across North America and the UK.

Q. What advice do you give to those who work with their families?

A. It's very hard at times; I had to make some really difficult choices. Still, I never separated family from business; I didn't compartmentalize. In the end I realized that my family was always right.

I'd encourage people to work with their families -- there's more trust, more support. If you can't be there, they will step in. But we also fostered a family environment with our whole team; we encouraged them to be themselves. They too were like family members.

Q. What are your thoughts about failure?

A. It was never an option for me, so I never gave it any thought. My accountant was constantly urging me to sell the company because he thought we were always on the verge of bankruptcy. But my parents mortgaged their house for me. I had to make it work; there was no way I was going to fail and leave them homeless.

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