

Case Profile: Richelieu Dennis at SheaMoisture

(Part 1)

Sundial Brands, as of 2015

- **Brands:** SheaMoisture, Nubian Heritage
- **Revenue:** roughly \$200 million, up 31% on the prior year
- **Distribution:** national, in mass-market retail chains
- **Customer:** Black women, whose hair and skin the mainstream beauty aisle had historically not served
- **Ownership:** family-owned and family-run. No outside investor in more than two decades.
- **Founded:** 1992, on a street table in Harlem

Origin Story

Richelieu Dennis grew up in Liberia and came to the United States for college. Civil war broke out at home while he was at Babson, and he began selling shea butter out of his dorm room to cover his costs.

He graduated in 1991 intending to go straight back to Liberia. The war made that impossible. So he stayed, and in 1992, he started a business in Harlem with two other people: his mother, Mary Dennis, and his college roommate, Nyema Tubman. They sold shea butter products from a street table. The formulations came from recipes the family traces to his grandmother, Sofi Tucker, who had sold shea butter in the markets of Sierra Leone.

The company began with a refugee, his mother, his roommate, and his grandmother's recipes, and the business grew from a street table into retail, and eventually scaled to national mass-market distribution under two brands, SheaMoisture and Nubian Heritage

Dennis built the supply chain around a model he named **Community Commerce**, which he describes this way:

"Community commerce is about making sure that the business serves the community, not just the bottom line."

In practice it meant sourcing shea through women's manufacturing cooperatives in West Africa and directing profits back into those communities, plus youth programs and social justice causes. He describes his own mission as advancing economic inclusion as a human right. On what that means in practice, he has said:

"When people understand the difference between my being able to go into a bank and get a loan and a white person being able to go into a bank and get a loan, the differences are stark."

"If I don't have an opportunity to walk into a bank and have equal footing... or walk into a supplier and have the same terms as my competitors, I'm not going to be successful."

And on what he believes he owes the people coming up behind him:

"My role is to make sure the other children coming here from other countries and other communities that don't necessarily have the opportunity to be in environments like Babson are here and are comfortable and feel safe and feel protected."

Scaling the Company

For more than two decades, Dennis took no outside capital. The company was funded by the family and kept by the family — the board, the management, the day-to-day operations, all of it.

That was not incidental to the brand's meaning. A company built for a community that the market had overlooked was owned by people from that community. Customers knew it, and it was part of why they were loyal to the brand and its products.

By 2015 the business was winning. Revenue was around \$200 million and growing 31 percent a year.

And the market had been noticed. Unilever, L'Oréal and Procter & Gamble — companies many times Sundial's size — had begun moving into multicultural beauty. The fight was not about whether Black women wanted these products. The fight was about shelf space, supply chain, distribution terms and the capital to fund all three at a pace the competition could sustain and a family-funded company could not.

Dennis has described the constraint in general terms many times:

"One of the hardest things to do is to get capital. That's where we, as black business, struggles. And the other place we struggle is scale, and because we don't have an access to capital, we cannot scale."