

Episode 8 Private Labeling, with Vinay Krishnani

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Rushab Kamdar: [00:00:00] Welcome to The Business 360 Podcast where we will take a 360 degree view of all things business in under 30 minutes. I teach everybody to think business, how to talk business, how to launch their business and how to grow their business. But I don't teach them how to do business.

What's going on business heroes. Welcome to episode eight. I know many of you may be thinking about starting a company and one avenue is private labeling, and that's what we're going to talk about today. So let's get to it.

Many of you may have heard the term private labeling, and if you're wondering what that is, you're not alone. Simply put, private labeling is when one company manufacturers or sources a product for the second company under the second company's brand. A great example is Costco. Costco has a brand called Kirkland Signature, and there's a ton of products that you'll see under the Kirkland Signature brand, everything from wool socks to alcohol.

So if you're a whiskey drinker like me, you may have noticed that Costco has their own whiskey brand called Kirkland Signature Scotch. Now believe it or not, Costco has a private labeler that sources that whiskey for them. It's a company called Alexander Murray. And what makes this interesting is Alexander Murray also doesn't manufacture that whiskey.



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They buy it from an unknown distillery. So Alexander Murray private labels the whiskey product. What Alexander Murray does for Costco is that they bottle it, and they label it under the Kirkland Signature brand and then they send it out to Costco. So Costco then sells the whiskey under their name, and consumers trust Costco. They trust the brand, and then they buy the product. So why does Costco do this? Costco doesn't have to manufacture the whiskey so they save money on that. They don't have to bottle the whiskey, so they save money on that. They don't have to label it so they save money on that. There's no overhead, there's no liabilities.

So that way Costco wins, Alexander Murray wins and that private distillery wins. Many people in recent years have become filthy rich by private labeling. They bought products from overseas companies like Alibaba or AliExpress, and then they've sold them under their own brand on Shopify stores or Amazon stores.

Private labeling is a very interesting business model and it's worth taking a closer look at. On today's podcast, we're welcoming Vinay Krishnani, who has over 15 years of experience in the luxury goods sector, specifically fine jewelry. Although I'd love to make today's show a QVC special selling you some limited quantity, necklaces and bracelets, our conversation with Vinay will be focused on private labeling. Vinay's company Nivelles is based out of New York City and it's focused on helping young creatives and well-established e-commerce retailers with



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private labeling, manufacturing and development of classic diamond jewelry. Vinay, welcome to The Business 360 Podcast.

Vinay Krishnani: [00:03:14] Thank you. Thanks for having me here.

Rushab Kamdar: [00:03:16] Absolutely. So why don't we start off with you telling us more about Nivelles and who do you actually serve?

Vinay Krishnani: [00:03:26] So under Nivelles.nyc, I'm focused on helping young creatives and established e-commerce retailers with product development, private label manufacturing in the fine jewelry sector. Price range is a bit higher considering e-commerce it's \$1,500 and up. And now, we're also accommodating \$500 and up. So it's, you mainly focused on e-commerce and the fine jewelry sector.

Rushab Kamdar: [00:03:56] Your company, private labels for other businesses. Can you explain what you specifically do?

Vinay Krishnani: [00:04:04] Yeah. Essentially, I am running the operations where I, literally, sourcing the product, different types of material. In my case, there's diamonds, there's mountings. You know, I have different factories that I manufacture different product from and putting it all together and supplying a finished product to this e-commerce jeweler who has the product posted on their site. And my goal is to be consistent on every delivery.



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Rushab Kamdar: [00:04:35] Many people ask, why would an established brand that has a lot of money hire you to make products for them when they clearly have the capacity to do it themselves?

Vinay Krishnani: [00:04:46] Yeah, that's a great question. You know, in the fine jewelry world, there's a lot of ambiguity to calculate material costs, gold and manufacturing over labor. There's, in diamonds, there's multiple different qualities out there. It's not only understanding the qualities and the pricing. To actually hold different quantities of different sizes of diamonds and specific mountings of gold in stock is a good amount of investment. In my case, they can trust me as a supplier to fulfill the product consistently every time over and over again.

Rushab Kamdar: [00:05:30] So essentially a established brand will work with you because the costs outweigh the benefits for them to do it themselves and they rather have someone that is skilled and experienced on that do it for them.

Vinay Krishnani: [00:05:44] Yeah, absolutely. They have oftentimes they have employees. Sometimes they'll hire an expert from a different industry altogether, and it's difficult for people from other industries to understand how the jewelry world works and how the material costing works and how the prices are broken down and so forth. So being able, it's much easier for them to consistently say, okay, product A is costing me this, we're buying it from Nivelles and it's consistently coming in at the same price.



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Rushab Kamdar: [00:06:15] You, as a private labeler, are taking on the burden of manufacturing and sourcing. So when taking orders, what are some pricing strategies you initiate to maximize your profit and mitigate your costs? In other words, do you take minimum order quantities or provide price breaks for larger orders?

Vinay Krishnani: [00:06:34] Yeah. You know, I actually focus on fewer but larger orders. It makes life easier, as you would imagine. I get price breaks on quantity orders. It's a win-win because when I purchase, you know, the material in wholesale, I get a price break as well, and I pass forward a good portion of that to my client. And as much as it helps them, it helps me because it gets me larger orders.

Rushab Kamdar: [00:07:03]

As a solopreneur, you cannot do everything yourself. What strategies and systems have you implemented to streamline your operations?

Vinay Krishnani: [00:07:12] Yeah. So many. I'm a techie at heart. You know, I get irritable when I realize redundancy in tasks, sometimes, that I'm doing daily or weekly. So I use simple but efficient tools, you know, like the vlookup tool in Microsoft Excel. I live by that, you know. I use it to track material inventory, to create pricelist, even in shared documents with clients it'll update gold price and things like that. And like you said, I cannot do everything myself. I use platforms



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to outsource one of the ones that I use very often and I trust is Upwork. They have freelancers available for really anything. And I trust the reviews on there. I use freelancers for graphic design, marketing, accounting.

But yeah, Upwork is also something I would definitely feel confident to recommend.

Rushab Kamdar: [00:08:20] So it's becoming more and more evident that regardless of what industry your business is in, being on social media is a necessity for all businesses. How have you leveraged social media to gain customers and to build your brand?

Vinay Krishnani: [00:08:37] The truth is I haven't to its fullest, to its fullest potential. I have not. I've been blessed with word of mouth for references. I have fewer larger accounts that I decide to focus on. They've kept me happy. That isn't to say that I don't believe in the power of social media. I feel that I do feel it's more advantageous to retailers for B2C over B2B in my case. But, given that I actually, I started a company, a digital marketing agency, boutique agency not too big, focused on helping jewelers create an online presence and help them with sustaining, you know, gaining leads, creating and getting new customers.

Rushab Kamdar: [00:09:28] So what are some of the most common challenges you face when running your business? And I guess we could take it one step



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further. What are some of the most common challenges, private labelers face running their business.

Vinay Krishnani: [00:09:41] You know, and I mentioned earlier, consistency is key. I think that when a larger company is trusting you to fulfill large amount of orders for them, I take it on as as a major responsibility. So although they have their quality assurance teams, it's going through QA through my eyes every time, you know. And every product, if it's not up to par, I have to send it back. So, when things get busy, especially holiday season , it's great. You're getting a lot of orders, but you're also getting stressed out.

And not only are you getting these orders, the factories that I'm working with, they're overhauled with orders as well.

You know, at times I feel like I need help but there are other parts of the year where it's extremely quiet, so it doesn't make sense to hire an employee just for three months and then let them go. Right? So yeah, they're, you know, they're challenges just like any other business, but the key is just to keep calm and keep going.

Rushab Kamdar: [00:10:53] So I'll leave you off with this. What advice would you give to entrepreneurs interested in starting a private labeling business?



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Vinay Krishnani: [00:11:03] So many tips, I love social media and I find I'm on social media often. I find a lot of entrepreneurs out there, a lot of gurus that are mentioning how easy it is to make money and how easy it is to create a drop shipping business and whatnot. And it's not that difficult. There are things that you can really do if you're smart and, create that passive income but it requires a lot of discipline. And I think it's important to know that whether it's private labeling or any business that you have to be focused, for private labeling, I think you really want to focus on your customer. You have fewer customers and really want to understand their needs and what their end goal is and how can, aside from just them placing an order and you delivering, what, how else can you make their life easier? Monitor their processes, keep an eye on their business and how they're doing it, and how can you offer guidance or help to make their life easier and grow their business?

Rushab Kamdar: [00:12:15] Vinay, I really want to thank you for taking the time to be here on The Business 360 Podcast.

Vinay Krishnani: [00:12:21] Thank you. Thanks Rushab. It's been a pleasure. I'm so glad you're doing this.



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