

Nail color icon George Schaeffer enters hair color business

George Schaeffer doesn't need an introduction. As the founder and CEO of **OPI**, the largest professional nail care brand in the world, which he recently sold to **Coty** for almost \$1 billion, he is actively involved in the Professional Beauty Industry. Last year, he quietly acquired the professional hair color brand, **Aloxxi**, from **Alberto Culver**. **Beauty Industry Report's (BIR)** editor/publisher **Mike Nave** is fortunate to have been friends with George for a quarter of a century and to have been one of the first OPI distributors. It is with a special feeling that **BIR** shares George's thoughts on what's next for him.

BIR: The Professional Beauty Industry, like every other, has changed dramatically over the past five years. Business has shifted away from a foundation of personal relationships. How are you planning to turn back the clock and bring back the importance of one-on-one personal relationships to business?

George Schaeffer (GS): Today, so many corporations are more concerned about the bottom line than the people they touch and the importance of the one-on-one relationship. Fundamentally, the Beauty Industry is very personal. Every day, we touch customers. I look at everything I do from that perspective. I have dealt with the world's largest companies, and yet I still show up to shake a hand, make that phone call or touch someone to secure the business. Call it old fashioned, but I believe that email isn't enough. The personal visit makes the impact. A personal visit to the salon makes the sale and a consumer's visit to a stylist makes a client. I still operate on that premise.

BIR: One of the questions I have heard in the marketplace is, "Why is George bothering to start a new business, especially one in the competitive hair color segment?"

GS: I love color. I love the people in beauty. And I love the industry that is professional beauty. I see a tremendous opportunity to give something back to the industry that has given me so much by helping the businesses of distributors and stylists grow.

When I first heard about Aloxxi being

available, I really got excited. I loved the name, I loved the core product (yes—I do a little color enhancement myself) so much that, to paraphrase **Victor Kiam** (who purchased Remington Shavers a few decades ago), "I liked the color so much, I bought the company!"

BIR: Color has been what OPI is all about. Are there some marketing strategies that you can borrow from the nail color business and apply to hair color?

GS: Yes, yes and yes!

BIR: Aloxxi is a brand that has been around for years. In the past five years, when it was under the Alberto Culver ownership, it was not given much marketing and sales support. What made you think it had the viability to be resurrected?



George Schaeffer joins the lovely models on the set of the Aloxxi 2011 photo shoot.

GS: While the people in charge did a great job of keeping it alive with minimal funding, quite frankly, Aloxxi had no support in marketing, advertising, distribution or any other area. Yet in spite of that, the brand has had an extremely loyal salon following. That's what made me take a close look at the company.

BIR: I understand that plans are under way to add a complete hair care line.

GS: Before, Aloxxi was a brand under **Nexus**. Today, Aloxxi is THE brand. Every product we introduce underneath the Aloxxi banner is committed to enhancing, protecting and maintaining hair color. Aloxxi will feature a retail line for professionals to sell to their clients, so that they can take home a hair care

line that supports what the stylist has done. Every bottle will have a simple sentence that embodies the essence of Aloxxi's philosophy, "YOUR hair colour IS OUR only business."

BIR: What steps have you taken to improve the hair color line?

GS: We have completely repackaged the existing products from cap to bottle, added essential colors that were missing, developed a comprehensive support color care line and overhauled our image. However, we have not touched the basic color formula because it is second to none.

BIR: Does your ownership of Aloxxi have any connection to OPI?

GS: No—except for my personal dedication to the Professional Beauty industry.

BIR: What is the message you are giving existing Aloxxi distributors who will continue to be part of the new network?

GS: I want to thank them for their continued support, ask them to stay the course and tell them to hold onto their seats because the ride is just beginning!

BIR: Why should a distributor consider taking on Aloxxi?

GS: To have some fun again and to make a sh*tload of money.

BIR: You mentioned that you have a goal to bring back passion and fun to the marketplace with your involvement in building Aloxxi. Please share some of your ideas on how you are going to do this.

GS: First of all, there is more than fun. There are three "F's" at Aloxxi—fun, food and fashion. When I started in the nail industry, it was not a part of fashion. OPI changed that, making nails as important an accessory as a woman's handbag or earrings. I want people to have fun with their hair. I want them to feel fashionable. And I want them to eat great meals with a great head of hair.

BIR: Tell BIR's readers about your management team.

GS: Our managing director is **Myriam Clifford**, who comes out of the nail business with an understanding of the Professional Beauty Industry. She and I get along amazingly well. Together, we are building a strong team of



The Aloxxi models show off gorgeous hair color and style.

sales, marketing and industry professionals.

BIR: What is your overall operating philosophy and how are you approaching each day with Aloxxi?

GS: As I said before, at Aloxxi we live by the three “Fs”—food, fun and fashion. We want to add the “N” to the “FU” that is so prevalent in today’s marketplace. We don’t take ourselves too seriously. We simply want to share beautiful Aloxxi hair colour with the world.

BIR: What is your vision for your company?

GS: At least for the first few years, it is not about money. I see something much bigger in terms of a vision. I want to build a substantial company that remains 100% loyal to the Professional Beauty Industry and the distributors who support it. I know distributors will invest their time, money and efforts into building the Aloxxi brand, and we will never leave them high and dry. We are committed to NOT using quotas. They don’t belong. That has always been my philosophy. It is about building partnerships—with the distributors, the DSCs, the salons and ultimately the end consumers. Each is integral to building the Aloxxi brand.

BIR: In a crowded marketplace, what is your brand’s point of difference?

GS: There are many points of difference. At Aloxxi, our focus is on the end user. We are focused on bringing fashion and personality to hair color that doesn’t exist today. We are focused on demystifying hair color and giving it character. Ultimately, I want consumers to walk into a salon and ask for Aloxxi by name—the same way they do for OPI.

BIR: Who is your brand for? And what’s in it for them?

GS: As I said before, our company’s mission statement is “YOUR hair colour is OUR only business.” Everything we do is oriented to anyone who wears hair color and the

professional stylist who colors it. What’s in it for the stylist? Added clients, the security of a quality product and the tools to grow their business. What’s in it for clients who wear hair color? Results that last.

BIR: Describe your ideal distributor. What are the key success factors you look for in selecting a distributor partner?

GS: Our ideal distributor is someone who is committed to the development of the Professional Beauty Industry and has experience in the professional hair color world. We want partners who will give Aloxxi the full attention it deserves, and who have the entrepreneurial spirit that can look to the future and see growth.

BIR: As you start aggressively marketing

“Every bottle will have a simple sentence that embodies the essence of Aloxxi’s philosophy: ‘YOUR hair colour is OUR only business.’”

Aloxxi, what would you like to see accomplished by the end of 2011?

GS: I want to see a strong distributor network both domestically and abroad. I want to ship product without backorders. I want to support the people who have come with us on this adventure. But most importantly, I want to see that the brand awareness of Aloxxi has grown. I want consumers and stylists to ask salons and distributors for Aloxxi by name.

BIR: What is your long-term vision for Aloxxi education?

GS: Our vision is to provide comprehensive training on a multitude of platforms to meet the needs of today’s salon professionals. And to provide education that is interactive, fun and focuses on skill development that is applicable to the salon environment. Aloxxi education will inspire salon clients to experience new color options through customized client focus events.

BIR: Tell me about your online marketing initiatives, including social networking sites, such as Facebook, YouTube and LinkedIn.

GS: Today, a company cannot engage with its customers without social media initiatives. We are building a comprehensive social media program for 2011.

BIR: What’s your company’s biggest challenge in 2011?

GS: Our biggest challenge will be to penetrate the market with our new products, continue to form our amazing team and for me personally, to start living the dream I have.

BIR: Who are your mentors in the Professional Beauty Business?

GS: Without question, they are **Arnie Miller** for his marketing genius and **Jheri Redding** for his product development and creativity.

BIR: What is the best business advice you have ever received, and who was it from?

GS: It was from my father. He told me, “If you tell the truth, you never have to remember two things.” I do the best that I can every day to be honest with people and treat them with respect. So far, that has worked very well.

BIR: What inspires you?

GS: Life, work, family, friends, food, fun, fashion, and, of course, Aloxxi. Not necessarily in that order!

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