

# CND hits a grand slam home run with Shellac

For 31 years, **CND** has served the professional beauty industry by providing new and innovative professional service and retail



John Heffner,  
CND President

products for nail technicians and their clients. Recently, the company introduced **Shellac**, a breakthrough product line that has had a transformational impact on the business. Since joining the professional

beauty industry in 1997, CND President/CEO **John Heffner** has left his stamp not only on CND, but on the industry as a whole. A City of Hope/Spirit of Life Award recipient, former chairman of the **Professional Beauty Association's** board of directors and all around nice guy, John has been dedicated to continuing the company's heritage in leadership, as well as defending its mission of advancing the state of the industry. **Beauty Industry Report (BIR)** sat down recently with John to better understand what is happening at CND and to gain insight into Shellac and the industry in general.

**BIR: Shellac has been a blockbuster success and it represents what the beauty business is all about—new, innovative products that bring excitement to the marketplace and are the catalyst for a new category of salon services and retail. What led to that success?**

**John Heffner (JH):** Shellac's "overnight success" has been nearly five years in the making. It is the result of a diligent collaboration between our amazing R&D and marketing teams and builds on 30 years of listening and responding to nail professionals.

**BIR: How does Shellac differ from other products in its category?**

**JH:** Shellac is a revolutionary polish-gel fusion that has 14+-day, flawless wear but comes off easily in 10 minutes with absolutely NO damage to the natural nail.

Other copy-cat products are simply gel enhancements that may look easy going on, but have questionable wear and are, in fact, very difficult to remove. The key to Shellac's success is delivering a salon service that exceeds the expectations of the nail professional and the client. It's what 85% of the

women in America who currently don't go to the salon for regular manicures have been waiting for.

**BIR: What did you see in the professional beauty marketplace that indicated there was an opportunity for Shellac?**

**JH:** Consumers were telling us that they needed longer wear, higher shine, easy removal and shorter service time from their manicures and pedicures. Nail professionals told us they wanted to get the universe of new consumers who were not yet salon clients into the salon for a service that offered high value.

Indeed, what we have seen is that Shellac brought the clients back! And furthermore, Shellac allows the nail professional to charge 50+% more for the same service time as a basic manicure or pedicure!

**BIR: How has the success impacted CND?**

**JH:** We are very pleased with the impact Shellac has had on the business. Beyond reaching our financial goals, I am particularly pleased to see the impact of such a winner on our team. It's also very rewarding to know that a product you helped launch has contributed to the resurgence of our category. Everyone at CND has played a part in the success, and it's very rewarding to witness the pride everyone feels. This will also enable us to invest in future innovation and reinforce our heritage as an industry leader.

**BIR: John, you mentioned consistency in describing CND's 30-year history. How has that manifested itself over the years?**

**JH:** For more than 31 years, CND has consistently inspired and served the needs of nail professionals and partnered with full-service distributors. At the same time, we've consistently challenged ourselves to evolve ahead of the industry pace. We have never wavered from our charter, which is firmly based on innovation and education—two critical

transformational components. That commitment to the beauty professional remains steadfast, despite the amazing change in this industry and the many temptations to step outside of it. We pride ourselves on following a focused, methodical approach to growth via organic initiatives and TRUE innovation. Knocking off others for short-term gain is a flawed strategy.

**BIR: My daughter is a long-time manicurist, and as long as I can remember, she has been using CND products. Besides providing top quality products, what is it about the company that has created such a large and loyal following among nail technicians?**

**JH:** We have a laser focus on our true customer, the nail professional. As a passionate team, we spend our collective energies on identifying and exceeding professionals' needs, so that as their partner, we can better serve the salon client. That roadmap was established from day one by the **Nordstrom** family and stands true to this day.

**BIR: What is your company's overall operating philosophy, and how do you approach each day?**

**JH:** We at CND aspire to be valued globally by nail professionals as their preferred resource for reliable products, empowering education and practical business building tools. Each member of our team works to that end. Each day is spent focusing on the highest priorities that get us closer to that goal in the most efficient way possible.

**BIR: In addition to Shellac, what are some of CND's best-selling products?**

**JH:** We enjoy leadership positions in nearly all of the categories in which we compete. **Radical** and **Retention+** are the anchor brands for the liquid monomer business. Our **Perfect Color Powders** have long been the mainstay of the powder category. Both **SpaPedicure** and **SpaManicure** were the first systems introduced to salons. **Brisa** and **Scentsations** are respective leaders in the gel and lotion categories. **SolarOil** has led the cuticle treatment category for more than 20 years, and Shellac has created its own category—not to be confused with soakable gels, of which there are many players. I am proud to add that in the



*CND's Shellac has helped nail salons attract new clients.*

recent **Nails Magazine Readers' Choice** survey, CND captured first place in 10 of 30 categories (including Best Product of the Year) among all industry manufacturers. That's a real testament to the brand loyalty we have secured over our 30-plus years.

**BIR: What are the key success factors you look for in selecting a distributor partner?**

**JH:** The ideal distributor has a connection with the nail professional. In a hair-driven business, it is a challenge to maintain focus and prioritization in a niche category. We strive to educate distribution on the tremendous upside of nail category focus. Fortunately, most of our distributor partners have been with us from the beginning and value the partnership and potential of this business. On the international front, most of our partners have grown with us from very humble beginnings to second generation ownership. We've literally grown up with these folks.

**BIR: Recently, growth in the domestic nail care business has slowed, and at the same time, the international nail care market is exploding. How does that impact CND?**

**JH:** While domestic salon services revenue has trended downward over the past few years, we have seen a spike this year, largely due to new services led by Shellac. I see this resurgence continuing for some time. We find that the international markets represent a very different business that tends to be regionalized. The nail care consumer in China is very different from the person in Latin America or the United Kingdom. It is our challenge to find the right product and service mix that draws each unique client into the salon. Those new discoveries, coupled with closer alignment with global fashion trends, have triggered disproportionate international growth.

**BIR: Tell me about your education programs.**

**JH:** CND is not just a product, it's a PATH! We invest considerable resources behind education on a global scale. CND has been responsible for setting the educational standards for our industry. Our programs ensure that aspiring nail professionals are empowered with intelligence that allows them to make the right choices for their clients. Our hope is for them to realize their dreams by practicing success philosophies, including custom servicing, fashion expertise, scientific understanding, technical excellence and winning business practices.

**“Shellac allows the nail professional to charge 50%+ for the same service time as a basic manicure or pedicure.”**

**BIR: What role do national salon trade and distributor shows play in your marketing?**

**JH:** Despite the many changes across the tradeshow landscape over the past few years, we still view them as a very effective means of reaching our customer. Our expectation is that show operators will use best practices to evolve and provide the widest possible reach. If they don't, we likely will not participate and focus on those that do. History has shown that those manufacturers that abandon show participation for whatever reason eventually come back. CND is bullish on shows.

**BIR: Who are your mentors?**

**JH:** Over the years, I have tried to emulate the good qualities I've observed, and I have had the good fortune to be exposed to wonderful managers, entrepreneurs and visionaries. **Jan Arnold** and **Jim Nordstrom** both took me under their wing, introduced me to this wonderful business and showed me the right way to do things!

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

**JH:** Of the many valuable business insights my father provided me, the one that I hold most dear is, "Never cross the line." In his own wise way, he didn't elaborate. At one point later on, when I asked where the line was drawn, he responded, "Deep down inside,

everyone knows where the line is drawn." It really is true. Whenever I am challenged with a tempting choice, the line becomes very clear and those sage words readily come to mind.

**BIR: Tell me about your online initiatives, including social networking sites, such as Twitter, You Tube, Facebook and LinkedIn.**

**JH:** Social media is an important portal through which we directly communicate with our customer base, and we believe we've only begun to scratch the surface of possibilities. We currently have more than 12,000 Facebook friends and several thousand Twitter followers. Our marketing strategy utilizes those touchpoints along with our corporate website, not only to share information but to learn what our customers are thinking in real time. We utilize our Education Ambassadors to monitor various sites and to answer questions and troubleshoot issues as they arise.

**BIR: Please tell us more about your company's website?**

**JH:** CND.com is a comprehensive website geared to both the consumer and the beauty professional. Consumers have the ability to learn about new CND salon services and to search for salons using CND products. Professionals have a whole host of tools available to them, including a nail style gallery, product profiles, educational videos, MSDS, an event calendar, class searches and customizable salon support materials. We've also recently added a blog to encourage interactivity with the CND team. A great recent example was the New York Fashion Week blog-a-thon, featuring our co-founder Jan Arnold. Jan shared her backstage experiences and provided commentary on how the season's runway looks incorporated nail style and color. It was very well received and professionals worldwide were able to tune in to get inspired.

**BIR: What are your thoughts about the future of our industry?**

**JH:** I think it is critically important that the industry not lose its entrepreneurial spirit. In the age of corporate consolidation, it is easy to have it dissipate. We need to ensure that the professional beauty landscape remains a fertile ground for new ideas, passion and vision. We must focus on stimulating the next generation of visionaries. Without them, we become institutionalized, homogenized and ubiquitous.

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