

Keune is dedicated to the salon professional

Keune Haircosmetics is an independent, family-owned Dutch manufacturer of hair care products that has been marketing to the



Nancy Carroll,
president

professional hairstylist for more than 88 years and doing business in America since 1997. In recent years, the brand has grown rapidly under the leadership of **Nancy Carroll**, president of Keune Haircosmetics

USA, Inc. **Beauty Industry Report (BIR)** recently had the opportunity to chat with Nancy to find out more about her keys to success in supercharging the company's growth.

BIR: Nancy, please tell BIR's readers about Keune Haircosmetics.

Nancy Carroll (NC): The company has been family owned for 88 years and has stayed true to its mission statement, "Lifetime of dedication to the salon professional." It truly is a business with integrity, working to give the industry back to the salon professional where it belongs.

BIR: Working with a company with such a long heritage must be very satisfying. What are some of the benefits from Keune that have allowed you to double its U.S. salon market business in the last two years?

NC: The benefits are numerous. The mere fact of financial success for 88 years gives stability to the building of a brand in a new market and the security that the company will not "go out of business due to cash flow" during that building process.

BIR: What does your mission statement, "Lifetime of dedication to the salon professional," mean to you, and how does it show up in Keune's marketing activities?

NC: Dedication to the salon professional means that everything we do as a company must serve to benefit the salon professional. It starts with products made with only the finest ingredients and attractive commercial packaging. It means support programs, such as **Keune Point**, our salon reward program, and an ongoing color conversion program; high quality education from the beginning intro class to advanced level offerings, such as color theory,

chemistry, cutting and business; annual fashion collections from the international design team and training offered in the international facility, and in early 2011, in the new academy in Atlanta. Most importantly, it is a mission statement supported by never offering Keune products for sale in any drug, discount, department or grocery store.

BIR: What have you done differently that has resulted in business doubling in spite of the challenging economy?

NC: When the economy changed, we knew we needed to change the way we did business. If you continue to do business the way you did before the economy went askew and expect different results, you will fall short. Doing business the way we always have, the way the competition does or based on the news does not work in today's economic environment. The most important question to ask is, "What does my customer want?" Consumers are spending money; they are just spending it differently. They are looking for better results from their investment and better value. We make it a point to find out what they want and help our distributors deliver.

BIR: How is "Keune giving the industry back to salon professionals"?

NC: We align ourselves with like-minded distributors who actually service and listen to stylists. We involve them in conversation to find out what they want. We encourage them to voice their opinions and thoughts, and then we act on them.

BIR: You have said that Keune can provide salon professionals with what the conglomerates took away. Please explain what that means.

NC: By working solely with independent distributors, we can be assured that stylists get the personal service they deserve, the education they crave and the exclusivity of the Keune brand.

BIR: Tell me about your career.

NC: I started my career in the beauty industry in my early 20s as a cosmetologist behind the chair and quickly became a salon

owner. One salon became two, two became four and then I became involved doing education with a manufacturer. I also spent some time working with **Michael Cole** and facilitating his boot camp program in its early years. I had been associated for several years with another manufacturer when Keune came to the United States and established Keune Haircosmetics, USA, Inc. as a subsidiary of the parent company. In 1999, I accepted an education position with the company and left Chicago for Atlanta. Soon after, I became the education manager. During the company's formative years, there were several individual and management changes, as is typical of any foreign company finding its way. During that time, there were few employees; therefore, it was a good way to learn every aspect of the company. It wasn't unusual for me to pack an

order or a show pallet, prepare bi-monthly promotions, launch a new distributor, conduct sales meetings and train educators. As the company grew, so grew the team. In 2002, my goal was to establish an infrastructure of programs, policies, department functions and anything that would allow the company to rapidly expand distribution when the opportunity was there. I have had many titles, including national education manager, vice president of education and marketing, chief operating officer and now president.

While the titles have changed, my focus has always remained on planning ahead 5 to 10 years for a successful and continually growing company.

BIR: Please give me a brief description of the organization's structure. Who are the key members of your management team?

NC: We have full-time and contractual employees. The sales department has two arms—distributor sales, headed by **Eddie Gwin**, and chain sales, headed by **Christian Faircloth**. The field sales educators report to the sales department and are responsible for daily activities in their assigned distributor. The marketing department executes activities with the help of an outsourced public relations firm in New York City and is coordinated by **Donna**



The new Design Style line offers extra care for hair.

DiNapoli. Operations are headed by the financial manager, **Karen Tobey.**

BIR: In the crowded salon products marketplace, what is your brand's point of difference to both beauty professionals and consumers?

NC: The point of difference to beauty professionals is, of course, the quality performance, but most importantly, our products are sold only to the salon—no compromises. To the consumer, it is also exclusive. Brands that can only be purchased through a salon have increased perceived value.

BIR: What is your flagship product?

NC: **Tinta Color**, our permanent color, is our core product. Tinta Color's success is associated with its superb performance and unsurpassed durability. It is easy to use and always has dependable results. The product has a unique formulation of Triple Color Protection: a combination of silk proteins, LP300 and solamer.

BIR: Tell me about your distributor network.

NC: We currently have 27 independent distributors covering the continental United States and Hawaii. We are specifically looking for distributors for New York City, Wyoming, Montana, New Mexico and Arizona.

Our distributors are independent owners who do business with integrity and whose main focus is the salon professional. They offer easy access to great education and partner with salon owners to help maximize their retail business through inventory control, marketing and training. They encourage the stylists to increase their service revenue through the promotion of on- or off-site education. Service and attention is their main focus. They still care about relationships. Many of these are second- and third-generation owners who are planning growth for the future generations.

BIR: Describe your ideal distributor.

NC: The ideal distributor is independently owned and operated and isn't "line heavy." That allows sales consultants to know everything about and believe in the products they sell. They understand how to build the territory and that they must invest in building the territory, along with the manufacturer. They do business with the same integrity as Keune.

BIR: What's new in your line?

NC: We recently launched **Design Style.** It is a complete concept that distinguishes itself through recognizable professional products and

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extra care for the hair. It has DLP2, a double layer protection of grape seed extract and Vitamin E that reinforce each other for protection against external influences.

BIR: How does Keune partner with salons?

NC: We are structuring several activities that relate directly to the salon professional, including information that can be accessed via iPhone and similar devices, hands-on business training that launched this fall, trips to the international headquarters and the launch of the new academy facility.

BIR: Tell me about your education program.

NC: We have an explicit format of classes offered to stylists through every distributor, as well as in Atlanta, that encompass product knowledge, beginning-to-advanced color training, sculpting, texture, finishing and application classes. Those are facilitated by a vast group of educators of all levels. **Christian Faircloth** oversees those programs. We also

offer a business/training program for sales consultants headed by **Roy Peters.**

BIR: What role do salon and distributor shows have at Keune?

NC: Since the daily connection is that of the distributor sales consultant, shows are an important vehicle for Keune management to connect directly with the salon professional.

BIR: Product diversion continues to plague the professional beauty industry. What steps have you taken to ensure that Keune products are sold only through licensed salon professionals, not in drug, discount, department or grocery stores?

NC: It is pretty simple. We don't sell to the mass retailers. We do not sell to beauty outlets or marts who sell directly to the consumer.

BIR: What are the major marketing initiatives you have planned for 2011?

NC: At our recent North American distributor meeting in Atlanta, **George Keune** and I unveiled the plan for the new Keune USA headquarters, training center and flagship salon in the heart of Buckhead here in Atlanta. We project an early 2011 grand opening. This will be a "mother ship" for our clients, educators and distributors' sales staff to experience all levels of training and education, as well as the Keune story. We will bring in guest artists and visitors from all corners of the world.

BIR: What is your company's biggest challenge for 2011?

NC: Finding qualified field staff to support our network of distributors.

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

NC: My dad, a business owner, always told me, "Nancy, if you are always honest, tell only the truth and do the right thing, you will be successful and respected!"

BIR: What would BIR's readers be surprised to learn about your company?

NC: It is independently owned, operated by the second and third generation, **George Keune Sr.** and **George Keune, Jr.,** and continually growing. Keune products are sold in more than 60 countries. The company has five subsidiaries, along with 60 export distributors. Its state-of-the-art research and development department and manufacturing facility is in The Netherlands.

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