

# TRU stands for Trusted, Respected & Unique

**J**ohn Philipp is the sole owner of TRU Beauty Concepts, a full-service distributor based outside of Philadelphia and servicing the Pennsylvania, New Jersey, Delaware and Maryland markets. John is the epitome of the new breed of distributors who bring renewed energy and excitement to the marketplace and provide manufacturers with a great distribution partner. *Beauty Industry Report (BIR)* recently caught up with John to learn more.

**BIR: Give me the history of TRU Beauty Concepts.**

**John Philipp (JP):** I've been in the professional beauty industry for 16 years, when I joined the family business my father started 30 years ago called **Buck's County Beauty Supply**. Back then, we were strictly a sundry distributor. I tried to convince my father that we needed to get into exclusive brands. He didn't agree, so I ordered a line anyway and told him it would sell. After one month when we didn't sell one piece, he told me we had to ship it back. I told him it was a conceptual line and represented the future. He said the invoice was coming due and told me either to send the product back or take it to my house. So I paid for the product and moved it to my basement where, along with my wife **Denise**, I created a success story known as **Advanced Salon Concepts**. After my father's passing, my mom asked me to run the family business, so I merged the two companies. We grew significantly over the next seven years, acquiring various distributors and forming alliances with key manufacturers, most notable **PureOlogy**. Just before the sale of **PureOlogy** to **L'Oréal**, my mother passed away. I became the sole owner. I decided I needed a fresh start, so I launched **TRU Beauty Concepts** based on our core values of Trusted, Respected and Unique.

**BIR: What is the difference between being a sole owner vs. having your family in the business?**

**JP:** It is refreshing to be able to follow my heart and my instincts without having to consult with a group of people, but I certainly miss my mom stopping by with homemade cakes and sticky buns. She had a special knack for baking and making people smile.

**BIR: You operate a distributorship in a market in which you have numerous competitors. Why do thousands of salon professionals choose to do business with TRU Beauty?**

**JP:** I believe we offer our customers an unparalleled opportunity to differentiate themselves by offering quality brands that are innovative, unique and not diverted. We provide superior education programs to support our customers. My team is passionate and genuinely cares about the industry and our customers. We pride ourselves on being first to market with new concepts and programs that can help our customers grow.

**BIR: Recently, TRU Beauty Concepts acquired Philadelphia-headquartered Sabott Beauty Supply. Tell me how that happened.**

**JP:** Having gone through the process before, it was very natural for me. I have known the owners, **Stephen** and **Jules Stein**, most of my life. Using standard business practices in evaluating pricing of a distribution company, we agreed on a figure that made sense for both parties. Stephen and Jules had owned **Sabott Beauty Supply** for more than 40 years. They have worked very hard to build an excellent reputation for their company. Their business was a perfect fit with **TRU**. It enables us to become a full-service distributor, servicing all components of the beauty industry. My team worked very hard prior to the purchase to make the transition seamless, and I am very proud to be able to carry forward their work

**BIR: Now that the dust has settled from the Sabott purchase, what are some of the benefits TRU Beauty is experiencing?**

**JP:** Through the acquisition, we picked up two marquee brands, **Moroccanoil** and **OPI**. Another key component to the acquisition was the ability to service all of our customers' needs. We are finding we are going deeper with all of our customers and able to cross promote all categories. That will be a huge help for the next phase of our company in which we will be able to open store locations strategically placed throughout our market. I plan on being extremely aggressive and rolling out the stores fairly quickly.

**BIR: What is your long-term vision for**

**education?**

**JP:** Mike, I'm glad you asked me that. **H.O.P.E. for Beauty** is coming. **H.O.P.E.** is an acronym for **Home of Professional Education**. We are opening a 17,000-square-foot facility on eight acres conveniently located for all. I am assembling a team of top educators for all aspects of the beauty industry, including business-related subjects, who will share their knowledge and experience. I am launching this important initiative because it is the right thing to do to help our customers grow their businesses, and not for the sake of selling a product.

**BIR: John, what inspired you to invest in this H.O.P.E. Concept?**

**JP:** Mike, a few years ago when one of our brands was purchased, I had the opportunity to meet with one of the high level managers of the acquiring company. He gave me a tour of their education facility and explained how I should never get involved with education, because it will suck your profits dry and it is a loss to the bottom line. I thought long and hard about his statement and realized for the future of our company, this was something I needed to do for our company to move forward. I would either need to rely upon my competitor to educate my customers or invest in training them myself. Our company is an entrepreneurial-based company and does not have a thousand-plus shareholders to answer to, unlike our competition in this category. Our advantage is we have passion; we care about our customers and we have a TRU desire to help the industry progress and evolve forward for all, not just "the shareholders".

**BIR: What do you have planned for TRU Beauty for the rest of 2010?**

**JP:** There is currently a huge consolidation taking place within my market. We are the choice for the independent voice. With the consolidation, many opportunities are occurring daily, from inquiries from brands, as well as people looking for opportunities that have been eliminated from other distributors. I have been hiring key, experienced individuals to fortify our infrastructure and position us as the distribution and education leader in our

marketplace. I see this process continuing not only for 2010, but for the foreseeable future.

**BIR: What is your biggest challenge in 2010?**

**JP:** To sleep at night! I am so excited where TRU is heading and all the wonderful people who are involved from our employees to our customers to our vendors...the experience is just awesome! We need to continue to find key people for the positions that are available.

**BIR: In your opinion, what is the biggest challenge facing the beauty industry?**

**JP:** Attracting quality people to the industry and enabling them to earn a good income. These cookie-cutter salons in our industry drain the ambition and the drive from young hairdressers. They basically use and abuse these people for their own shareholder gain. Most are just getting by on minimum wage. Hair styling is no longer a career to them; it is a job until they get frustrated and find a career outside of our industry. We need to empower these young people of this industry with ambitions to achieve their personal dreams by giving them the tools and the confidence to succeed. It is a long road, but the road needs to start somewhere and now before the industry is lost.

**BIR: What is one thing that disappoints you about the beauty industry?**

**JP:** Let me start by saying the thing that disappoints me the most is also one of the things that excites me the most. Our industry is about what's new and that I love; however, most of these new companies responsible for the explosive growth in this industry are small entrepreneurial-run companies, and are forced out before their ideas are able to fully blossom. Of course they are compensated for their ideas, but I would just like to see one of them follow it to fruition like **John Paul Mitchell Systems' John Paul DeJoria** was able to. These large, multinational corporations are stealing our industry from unique opportunities for change. They purchase these brands and put them on the back burner, or try to change the brands' identity and make them about marketing, instead of the people who were the fuel, the vision and the passion for the success.

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

**JP:** It was from my mother, who told me, "To

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always treat people the way I would like to be treated and don't be disappointed when they don't treat you the same!" Second, **PureOlogy** founder **Jim Markham** said, "Own your market before you expand outside of it."

**BIR: What was your favorite job position in the beauty industry?**

**JP:** I love my current position and believe I was born to do it. My favorite job was calling on salons. I made tons of friends and often

thought how lucky I was to get paid for doing something I had so much fun doing. I try to instill that philosophy into my own sales team. I tell them if it feels like a job and it's hard for them, then they're probably not the right fit for the position. The industry is filled with great, fun, carefree people who enjoy life and are happy when you enjoy it, as well.

**BIR: Do you have any mentors or people who have influenced your business philosophy?**

**JP:** One of my best friends is **Jim Markham**. I have learned a world of knowledge from talks we have had and experiences he has shared. He has helped me understand the balance between working hard and playing hard. It's important to rejuvenate yourself. It allows you to stay focused and inspired.

**BIR: Coming from a family business and knowing what you know now, would you pass the business on to your children when you retire?**

**JP:** Wow, Mike! I just recently turned 40 and I see how hard people like **Jimmy Emiliani** and **Stan Klet** work and how passionate they still are about their companies. Like them, I can't imagine ever wanting to step down. This business gets into your veins and is a fountain of youth that keeps you feeling young. I have three children, and I wish them all to be happy in what they do. If after going to school and earning their degrees they decide they would like to do this, I would welcome them with open arms. For now though, my 8-year-old daughter is very happy we became an **OPI** distributor. She has the latest "Hong Kong Collection" on display in her bedroom. She couldn't decide on just one color, so of course, I gave them all to her!

**BIR: What advice would you offer to a new distributor that could make a difference and help it grow into a successful business?**

**JP:** Stay out of my market! LOL! Seriously, pick partners (vendors) who are great people who care about your growth as much as they care about their own. Choose great people you trust and like being around to work with. Follow your heart and don't do it for the money. Follow the first few suggestions and that will take care of itself!

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