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THE BEAUTY INDUSTRY REPORT

A MONTHLY NEWSLETTER FOR EXECUTIVES IN THE PROFESSIONAL BEAUTY BIZ

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guest columnist

## Fixing a broken product formulation

By Howard Baker

The formula for your product is broken! It can't be made anymore! A raw material is no longer available. Or the government says it isn't legal anymore. Or your manufacturer just retired and moved to Tahiti and won't give you the actual formula. Or after three failed batches in a row, it just won't come out right. The formula is broken. What can you do?

First, describe what needs to be done as accurately as you can. Develop a project profile so everyone involved has a clear idea of what the objectives are. It is actually an opportunity to change as much or as little as you want. Do you duplicate the original product as accurately as possible, or is this the time to make improvements? Your own circumstances will dictate which direction to take, but it is important to consider how much "newness" you want or don't want. Sometimes your loyal customers want only what they have been using for years. Sometimes the chance to modernize your formula can turn into a silver lining.

The next step involves a cosmetic chemist. So where can you find one who will fix your broken formula? The first place to look is your current manufacturer, as long as the company is still in the picture. Working with your current manufacturer to execute your project profile will take advantage of the experience its team already has with your product formula.

If your current manufacturer isn't part of the picture anymore, the puzzle is a bit more challenging. Considering new manufacturers gives you the opportunity to have several labs make prototype formulations of your product and submit them to you. You can then make the business decision about which submission provides the best combination of product performance and price.

Fixing a broken formulation...cont. on p. 2

### IN THIS ISSUE

Guest Columnist  
Fixing a broken product formulation  
By Howard Baker



ISSE kicks off a strong year for beauty



Faces, eyes dominate IMATS launches



Chaz Dean keynotes ICMAD Awards



Gerry Udell, Inc. wins with a NE focus



HSA: Your personal beauty development partner

## highlights

- Salon industry grew at 3.1% in 2014 **2**
- Service/retail sales and client traffic grow **3**
- Lafayette Jones' Multicultural Report **5**
- ISSE kicks off strong year for beauty **6**
- MashUp raises \$15,000 for Thirst Project **13**
- Faces/eyes dominate IMATS **14**
- Chaz Dean keynotes ICMAD Awards **17**
- Gerry Udell Inc. wins with a NE focus **18**
- HSA: Your beauty development partner **20**
- Shawn Tavakoli to be honored **28**

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This is your industry's newsletter, and BIR welcomes your feedback!

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## Mane St.

by Mike Nave  
EDITOR



How hot is men's grooming? As Pro Consultants & Resources' annual report found (see page 2), the men's sector is growing at 1½ times the rate of the

pro industry overall. Plus, *The NY Times* recently added a men's style section.

According to Euromonitor Intl, men's grooming in the U.S. is predicted to increase by 6% to reach sales of US\$6.5 billion by 2018. How much of that will be captured by salons, barber shops and beauty stores?

That's debatable, because according to [racked.com](http://racked.com), while 43% of American men use skin care products that go way beyond shaving—think moisturizers, anti-aging creams, eye gels, facial cleansers and concealer—most purchases are made online where men can research and buy in private.

How do we make men comfortable in the pro beauty market? Please share your thoughts on our Facebook page.

Regards,

*Mike Nave*

# Gerry Udell, Inc. wins with a Northeast focus

More than 50 years ago, **Gerry Udell** founded one of the beauty industry's first manufacturers' rep firms, **Gerry Udell, Inc.** He started as a one-man show with a strong work ethic and endless perseverance. With no money and deeply in debt for the first 6 years, Gerry was on the road 6 days a week, 52 weeks a year. Against all odds and with great pride, he succeeded in making Gerry Udell, Inc. the force in the industry it is today. However, Gerry's ultimate dream was realized when his sons **Gary** and **Glenn** joined the company, ensuring the continuance of his legacy.

While many manufacturers' rep firms have based their growth strategies and business models on national expansion, Gerry Udell, Inc. has opted to concentrate solely on the Northeast territory. With more sales reps in this area than any other firm, this focus has proven to be a key factor in the company's growth and in creating valued partnerships with clients.

**Beauty Industry Report** has known the Udells for 40-plus years. Gary, who serves as president, and his brother Glenn, who is vice president, have a winning strategy and consider communication, perseverance and superior customer service to be their keys to success. We recently sat down with Gary to learn more about how they do it.

**BIR: Welcome, Gary. It's always a pleasure to catch up with one of the professional beauty industry's legacy firms. To what do you attribute your success and longevity?**

**Gary Udell (GU):** Thanks, Mike. First and foremost, at Gerry Udell, Inc., we believe in the manufacturers and the products we are representing. That belief is at the core of all of our business interactions. We are proactive in working with our customers and manufacturers, while remaining persistent in achieving our sales goals. Above all, we insist upon conducting

business with integrity. We firmly believe that communication is essential to our success. With the personal touch and superior service we are known for, our manufacturers and customers enjoy working with us as much as we enjoy working with them.

**BIR: Tell me more about that philosophy.**

**GU:** Our goal is to maximize business for our customers and

manufacturers in an honest and forthright manner. We are fortunate to represent brands that are successful and relevant to today's market. We constantly focus on these lines, as they provide long-term, residual sales. We call this "annuity branding." Our manufacturers are quite attuned to the industry trends, and it shows in their product development. While we are very selective in looking at new lines, we are always on the lookout for the next "hot" item.

**BIR: Like you, I worked with my dad in our distribution company and loved every minute of it. How does it work for your family?**

**GU:** Working with our father was a great and formative experience for Glenn and me, and today, Glenn's son **Gerry** is living that same experience. Our father shaped our values and taught us how to remain competitive without sacrificing integrity and honesty. He also instilled in us the importance of maintaining personal relationships with each and every manufacturer and customer. We are one of the few remaining family-owned rep groups in the country. Today, we have the largest regional rep firm in the industry. We are bound by strong family traditions and are here to stay!



from left: Glenn, Gerry and Gary Udell lead the family's manufacturers' rep firm, one of the few remaining family-owned rep groups in the country.

**BIR: How does your business model differ from other rep groups?**

**GU:** It differs for one simple reason—we focus solely on the one territory that is the most important, diverse and challenging in the United States—the Northeast. We easily navigate through this unique and complex area with its many distinct modes of distribution. The Northeast has always required special attention due to its wide demographics. The New York Metro area alone with 12 million people represents a lot of potential business!

**BIR: What areas do you cover?**

**GU:** We serve Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, West Virginia and the Washington, DC/Virginia metro area.

**BIR: What is the advantage of partnering with Gerry Udell, Inc. in the Northeast?**

**GU:** When consolidation peaked several years ago, most rep firms "panicked" and attempted to go national, which was a tremendous advantage for us. While others tried to gain footholds in new territories, we stayed with what we know best. As a result, we became the go-to sales group for the Northeast. These changes, coupled with our steadfast focus, have allowed our business to grow at a considerable rate. We also have been very aggressive and successful in

finding new sources for professional distribution, as well as in discovering new entrepreneurial accounts.

**BIR: Who are your customers?**

**GU:** We have a large and diversified customer base that includes professional-only distributors; OTC beauty,

barber, nail and skin care supplies; online professional beauty accounts; redistributors and various specialty accounts. We also do a very substantial business in the multicultural field. Our wide-ranging base affords our manufacturers an edge. They can conduct business with many industry sectors.



Gerry Udell (left) and Gary Udell (right) greet Helen of Troy's Scott Hagstrom (center) at the Western Buying Conference.

**BIR: How do you handle online accounts?**

**GU:** For some manufacturers and distributors, the internet has become an important distribution channel. We help enforce strict guidelines with our manufacturers who authorize their products to be sold online. We make it very clear that any diversion will not be tolerated.

**BIR: How does your management style differ from other rep firms?**

**GU:** The hallmark of our management style is "involvement." We promote teamwork and open communication. As very proactive and hands-on managers, we are often out in the field talking, listening and learning. We make sure to



*Gerry Udell (right) with long-time manufacturer Jim Wahl of Wahl Clipper Co.*

communicate with our salespeople on a daily basis to share success stories or to discuss ways to handle challenges. We also conduct weekly conference calls with our entire sales team. Another tactic we frequently employ is "double-teaming" accounts, whereby Glenn or I will accompany our salespeople in the field.

**BIR: Who makes up your team?**

**GU:** Our experienced outside sales reps include **Bill Becker, Brad Becker, Glenn Cole, Mary Dunne, Mark Richman, Gerry Udell, Glenn Udell** and me. We each have separate territories but all support, encourage and learn from one another. Our sales team is made up of consummate professionals who are motivated, reliable, conscientious and incredibly successful.

Our office team is headed by **Pam Piacenza**, who is one of the most efficient and effective customer service managers in our industry. Pam was instrumental in developing our order entry system. She excels in account and manufacturer management and provides critical support to the sales team. Pam is assisted by **Miriam Udell** and **Alexandra Daddis**. **Donna Hampson**, who has been with us for 30 years, plays a vital role as our bookkeeper and sales analysis expert.



*The Gerry Udell, Inc. outside sales force (back row from left): Glenn Udell, Brad Becker, Bill Becker, Gary Udell and Gerry Udell. (front from left): Mary Dunne, Pam Piacenza, Mark Richman and Glenn Cole.*

**BIR: How do you use technology to service your accounts?**

**GU:** We are proud to be one of the few rep firms to have developed a custom-built order entry system. It provides fast and easy access to customer order history, while maintaining up-to-date product information. We invest constantly in maintenance and upgrades. This data and more can be easily accessed during sales calls, which manufacturers and customers love!

**BIR: What is your advice to manufacturers who seek representation?**

**GU:** Most groups that claim to cover the entire country have only 3 to 12 sales people covering the entire United States. In contrast, our team of 12 is focused solely on the Northeast territory. You do the math!

I would advise manufacturers to employ more than one rep group to cover the United States. While it might seem easier having one rep group, in reality, there is a big risk in putting all your eggs in one basket. It is our firm belief that no one rep group can cover the entire country effectively.

**BIR: What manufacturers do you represent?**

**GU:** We represent some of the most prestigious companies in our industry. They include **American International (Ardell, China Glaze, Clubman, Gigi, IBD, Seche and Supernail), Betty Dain, BCL/Spa Organics, BlueCo./Barbicide, Denman, Intrinsic/Carolina Cotton, Helen of Troy, Idelle,**

**Joewell, Mason Pearson, Neoteric/Batiste, Olivia Garden, Phillips Brush, Spencer Forrest/Toppik/Xfusion, Spilo Worldwide and the Wahl Clipper Co.**

**BIR: Late last year, we reported on your "Share the Love" ad campaign. How's it going?**

**GU:** This ad features Gerry with our manufacturers and has created quite a buzz! Since joining our company 5 years ago, Gerry has brought us youth, energy and a new dynamic. Through this advertising campaign, we are expressing the love and passion that Gerry Udell, Inc. has for the beauty industry, and we have donated thousands of dollars to industry charities; hence, "Sharing the Love."

**BIR: I hear that on a personal note, you are chairman of the board and a founder of one of the most prestigious clubs in the Hamptons. Members include high-profile New Yorkers and Wall Street leaders who appear on the Forbes and Fortune 500 lists.**

**GU:** Well, the only news I can share is that some of those famous individuals' tennis games are not nearly as impressive as their portfolios, which is good news for me! Seriously, though, I am very proud that our club has set up a charitable foundation of which I am president. My wife, **Cheryl Sterling-Udell**, has been an

incredible partner in organizing many of our charity's fundraising initiatives. As the president of the Ralph Lauren Women's Luxury Brands, she has been instrumental in creating must-attend fashionable events. We have raised millions of dollars benefiting over 30 local grassroots charities.

**BIR: Any final thoughts?**

**GU:** The Northeast represents tremendous opportunity for growth in the beauty business. The landscape of our industry is constantly evolving. As a result, we are always exploring all options to expand and increase our business.

For more information about Gerry Udell, Inc., reach Gary Udell at [garyudell@gerryudell.com](mailto:garyudell@gerryudell.com). Call 973-338-3100 or visit [gerryudell.com](http://gerryudell.com).



*Gerry Udell (second from right) with American International Industries' Zvi Ryzman, Terri Cooper, Mark Moesta, Kendall Becker and Linda Woods.*