

**ONE-ON-ONE**  
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# I'll Take Manhattan

by Mike Nave

Jay Halaby & Associates is fearless in its expansion plans, does its homework and doesn't make promises it can't keep.



**JAY HALABY'S SALES AGENCY IS ON THE MOVE.** Recently Jay Halaby & Associates continued its rep sales coverage, this time expanding beyond the U.S. borders. Last month the Glendale, CA-headquartered sales organization announced the expansion into Latin America. This move comes after the organization completed

the acquisition of The Martin Group, adding the Northeast territory to its U.S. coverage. Jay also recently announced further expansion of his firm's coverage to include the Southeast territory, too. BSB had the opportunity to chat with Jay and share our conversation with our readers.

**What are the primary messages that you want to convey to BSB readers through out this interview? What is the story you want to share?**

**HALABY:** We are building an organization for the future. Our success is not based on what we have done, but what we will do.

**How long have you operated Jay Halaby & Associates?**

Our sales agency was launched April 17, 2001 with two and half reps: myself, Richard Smith, and my wife Alex Halaby helping in the field part time.

**What did you do prior to starting your sales agency?**

I was a rep for IMS sales since Oct 1993, after heading sales at Princess Nails for a year and a half prior.

**I understand Alex is very active in the sales agency. What are her responsibilities?**

Officially, Alex runs our internal operations, processing purchase orders, commission statements, handling customer service issues, and supporting the reps. However, the reality is that she became my partner in life when we were married and my partner in business when we launched. Everything we do in the business affects our personal lives, so we make the major decisions together. We don't always agree, but there is no one I trust more to look out for the benefit of the business. I couldn't do any of this without her support and advice.

**Originally your organization only represented companies for the 13 states western territory and starting in 2005 you expanded Halaby & Associates coverage to include the Midwest. Recently you continued to add more territory. Share with BSB readers Halaby & Associates move into the Northeast and Southeast territories and also going outside the country.**

None of the expansion was planned in advance. It wasn't like we were chasing a distributor, territory or a specific line as most rep groups have expanded. Our business is based on the needs of customers and manufacturers and opportunities that have presented themselves. When I started as a rep I was at the Western Buying Conference show when three customers came by the booth from Montana. When I asked who in our organization called on these customers and found

out that no one did, I decided to go service them. We launched the business in the West because there was a need for another sales organization, and it grew faster than I had ever imagined. There were too many manufacturers who needed representation, and too many customers looking for other products that I felt we could service them. The consolidation of rep groups in the Midwest left many of our manufacturers without representation in the territory. Customers buying these lines had no one servicing them, and manufacturers wanted to grow the territory, so I bought an airline ticket and went there. More manufacturers came on board, we found good qualified salespeople, and the territory continues to grow.

The Martin Group in the Northeast had a good sales team and some of the same lines we represented in other two territories. When Marty came to us and we evaluated the cost and opportunity, it made sense to move into the territory. Our expansion into Latin America was based on similar opportunities. Jeannette Rozzotto has been servicing distributors all over Mexico, Central America, and South America. These distributors are looking for more U.S. lines, and many of our manufacturers are looking for more business there. In time it will grow, a team will be developed and as long as we focus on why we are there, it will be successful. Most recently, we were able to unite some good independent salespeople already working the Southeast Territory. With Terry Spitzer directing the group under our umbrella, we will be able to bring new lines to the territory and service the accounts there properly. It is a matter of understanding that we have two sets of customers (distributors and manufacturers), who have a need. If a distributor in Los Angeles was asking me for a product to fill a category or need, I would look for a line to fill this need. If a store or distributor opens in an area not currently being serviced and wants to buy from our manufacturers, we try to find a way to service them. The rest is just geography. The imaginary lines developed by the Professional Beauty Industry years ago are fading quickly. An airplane flies to Chicago or New York just as easily as it flies to Denver, Salt Lake or Billings.

### **What is your vision for your company?**

My vision is to build a continuously evolving network of representatives who can better serve the Beauty Industry, who strive to look out for the customers' best interest, and are never satisfied or

complacent with what they have accomplished, but look to perform better.

### **What is Halaby and Associates mission?**

We want to help our customers, whether they are beauty supplies, distributors, or manufacturers, build their businesses through new ideas, products and markets.

### **Jay, if I was a prospective manufacturer and interviewing with your company, what reasons would you give me that would cause me to consider appointing your firm?**

First, we can expose their line to more potential customers. Rather than just working with a few strong relationships, the foundation of our company was built on physically covering all customers, no matter what their size. We do work with the large distributors and redistributors, but we cannot expect them to give all of their attention just to the lines we represent. Instead of depending on a handful of customers who might place large orders, we focus on building relationships with accounts in every geographic pocket of our territories. Smaller customers grow, and we look to grow with them. It is not about the one large order you can get today, but rather the many orders that will grow over the years to come.

Second, I train my representatives to be able to change hats and service different markets. Just as most manufacturers sell products to different types of customers, my reps cannot just service Full Service Distributors, but also must be able to service OTC beauty stores, nail products distributors (Both Caucasian and Asian), and the multi cultural market. Most lines have products that cross over to other markets, and we must understand and service all of them or we miss business and do not do justice to the manufacturer.

Finally, we are honest and hard working and will give each of our manufacturers our best effort. No organization is perfect, but we will use all of our resources to build better distribution for our lines. We do not take on lines just to collect commission, and we do not make promises we cannot keep. When we take on a line, we look at their existing business and analyze the market and say, "What are they missing, and where can we grow the line?" We then hit this market, region, or customer base and look for the new business. Sometimes you have to think outside of the box, but there is business out there and we try to capture as much of this as possible.

**Give me a description of your organizations sales associates.**

Our team is a mixture of many types of personalities, selling styles, and strengths. The factor they all have in common is that they work hard, communicate with each other, try to learn from each other, and focus on building our organization. They focus on doing what is right for the manufacturers and customers. I have been blessed with a group of people who instead of looking out for what they can get, continuously ask “What can I do to make things better and how can I help the organization?”

**What is usually needed or missing from manufacturers that have in the past and or present hired Jay Halaby & Associates that make your sales representation less effective in representing them?**

For the most part, it comes down to the same two things. The first is internal organization. If we are continuously having to take care of minor issues such as orders that were processed incorrectly or lost, wrong billing, educators who did not show up, artwork for deal sheets not arriving to the customers and so forth, we cannot focus on selling. The second obstacle is most manufacturers lack a goal or plan that they are looking for. Instead of saying “we have 42,000 SKUs, sell them all” they would be more effective by planning which SKUs are for which markets and prioritizing where the fastest growth will be. This way we can all be on the same page with the same goals, working the same plan.

**What tips can you give manufacturers that would make your organization more effective in producing sales for them?**

It's most important for them to take a moment to sit back and look internally at their company and ask, what are you missing, where are you going, and what are you looking to accomplish? Too often manufacturers are so rapped up in running the daily operations that they just hand you their line and say sell. If they have a good month, everything is great, but if they have a bad month, they blame the distributor, the rep, the educator and so on. In the end, it is their company, and if they take responsibility for the good and bad and know what they want to do, good things will happen.

**What is your company's greatest accomplishment in the five years?**

I would like to believe that we have built a good reputation for being honest, hard working, and that we care about doing our best. In the

end, this is all you really have. When we launched eight years ago, few people knew who we were. They didn't know what we had planned, and most didn't think we would survive the first six months. It's not about the lines you represent, or the accounts you do business with....this continuously changes. We just get up each morning, remembering where we started, and go to work.

**Describe your ideal manufacturer, what are the key success factors you look for in reaching a decision to take on representation of their line?**

I look for the future opportunities. What is the story and what makes the line different. Can we sell the line, and do I think it will grow. I look for companies we can partner with on a long term basis and that will help my business grow as we help their business grow.

**For a number of manufacturers, trade show participation is an important aspect of marketing and selling strategy. What advice can you give to companies that are considering a trade and dealer shows strategy that will increase their chances for having a successful show?**

Many manufacturers do shows to see how much cash they can make at the show. This is a mistake. Today shows are about advertising and exposure. The goal of a show should be to make a big impact and capture the interest of potential new customers and stimulate existing customers to buy more. If the salons think the line is strong and growing, they will demand that the distributors carry the line. It is then our job to follow up with the distributor to make sure they focus more on the brand. If the business grows in an area over the following year, then the show was successful. No matter how much you sold at the show itself, if business does not grow following the show, it was not. We work together with manufacturers to take the momentum from the show into the field and make the results happen.

**More and more companies are providing DVD presentation for their sales people. Are your sales reps utilizing these and if so how effective are they?**

DVD presentations are a cost effective substitute for education. Our sales force can watch them repeatedly to refresh their memories on the line, and pick up things they may have missed previously. We then show them to distributors, try to have store locations play them and continue the excitement. If they are used in the field, they are definitely effective.

**What's your company's biggest challenge in 2009?**

Like everyone, it's the economy. Right now cash is tight for everyone. This is the reason that instead of cutting back and slashing cost, we are aggressively looking for new customers and new distribution. There is still a lot of business out there but you have to get out there and work harder.

**In your opinion what are the beauty store market segment's industry's biggest challenge in 2009?**

It is the same as ours. The existing customers who walk into a store are walking in less often, and spending less money. To survive, they have to look for more customers. They have to get more people in the door, and entice them to drop a few dollars. The ones who do this will not only survive, but build a base for the future as the economy eventually get better. The ones who don't will not be around long enough to see it get better.

**Have you had any mentors in the pro beauty biz, and if so who are they?**

Many people have touched my life and have advised me through the years but two people probably had the most influence on me, and both have passed away a few years ago. The first is Ezra Kahn, an old time rep from the Beauty Industry's "Glory Days" who taught me to get your butt in the car and go see customers. The second was my dear friend, Jim Helton who really taught me about full service distribution and how the larger rep groups operated.

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

One of my manufacturers told me a few years back, "Don't be afraid to invest in your business. It will come back to you ten fold".

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