

OPEN FORUM® GROWTH GUIDE

# Disrupt & Grow: How Drybar Became a \$50M Business

*By Alli Webb*



DRYBAR  
ALLI WEBB  
MEMBER SINCE 95

When I founded Drybar in 2010, I had the simple idea of creating a high-end hair salon experience that didn't offer cuts, colors, perms, straightening, or any of the typical salon services.

We were going to do one thing only: blowouts—offering women a quick, affordable way to spruce up their look whenever they wanted.

Sound like a risky proposition? It did to us, too. But in just five years, the company has expanded from a sole proprietorship into 42 locations and 2,500 stylists.

Of course, there have been a number of challenges—and rewards—along the way. There's a great deal of risk, hard work and sacrifice involved in turning an idea into a successful business, and then growing that business into a recognizable brand. I've learned about overcoming hurdles and solving problems at every stage of growing a business.



**\$40**  
PER BLOWOUT



**42**  
LOCATIONS



**2,500**  
STYLISTS



**\$50**  
MILLION ANNUAL REVENUE



**120,000**  
MONTHLY CUSTOMERS



### About Alli Webb

Alli Webb founded Drybar in 2010 after offering weekly in-home blowout services, which quickly grew into a business with more than 40 locations across the country. As Drybar's Chief Creative Officer, she oversees training for more than 2,500 stylists and leads the development of Drybar's line of styling products and tools.

# Find What's Missing in the Market

To grow a business, you need to spot a gap within a given market, fill it and establish ownership of the space.

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These opportunities open when customer needs go unmet, and there are multiple ways to fill the vacuum: on the product and service level, the pricing level or a combination of both.

Let's say you're running an online jewelry business, and you've noticed rising demand for anniversary pendants among your target customers. A look at the competition shows that most of these products are only available as mass-produced goods. That means there's an opportunity for your business to reposition itself as the primary source for personalized, handcrafted pendants.

Alternatively, you might find that the pricing range skews toward either expensive, high-end products or low-quality discount goods. That presents a clear opportunity to occupy the mid-range market and capture the underserved share of demand.



My own experience bears this out, as both price and service were important factors in getting my company to fill a market gap. After graduating college, I worked in the fashion industry and with well-known stylists. I finally decided that hair was my true passion, and these experiences helped me to learn the trade. Years later, I came up with an idea that would eventually become Drybar. It began as a mobile blow-drying business. I traveled across L.A. to deliver the service to various friends and slowly expanded my circle through customers they recommended.

I soon spotted a hole in the market—customers were forced to decide between two bad choices: either going to a traditional salon where they paid up to \$100 for a

blowout or going to discount chains where there was little consistency in what they were getting. Seeing a big opportunity in this space, I decided to turn my mobile business into a brick-and-mortar operation in which customers could come to me instead of having me come to them.

While there was some initial skepticism about the potential market for an affordable but luxury-style blowout-only salon, it turns out I'd actually underestimated the demand. People were coming through the door in droves.



# Take Help Where You Can Get It



Before opening my first brick-and-mortar location, I was working around the clock to get all the elements in place.

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But even though the company was a sole proprietorship, I was far from alone: I brought in my husband to help with the creative branding and website design, and my brother to help with business planning. That allowed me to focus on the actual opening and running of the business.

I learned an important lesson: when you're operating with limited resources, find support wherever you can. Any skills, or even just time, that your family or friends can contribute are invaluable for getting a business off the ground.

If that's not a viable option, try tapping into available free services, like those offered by your local Chamber of Commerce or the U.S. Small Business Administration.

# Listen First, Act Second

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As our first Drybar store grew in popularity, our initial customer base started clamoring for additional locations to ease the pressure from our first site so that we could continue providing the same level of service to our clientele. It became clear that what we thought would be one shop, one little business, wasn't nearly enough.

Making the decision to open additional locations can be one of the most critical—and misunderstood—steps in building a well-known brand. It's easy to overestimate how much growth can be supported by demand or to believe expansion will kick-start sales by casting a wider net for customers.

I found that the best tool for evaluating growth opportunities is listening—listening to what your customers like about your business and, more importantly, what they don't like. While it may sound

counterintuitive, having dissatisfied customers may actually be a sign that your company should expand. If clients are grumbling that they aren't getting the same experience they're used to, it might mean you've got too many customers and not enough locations, staff or inventory to meet demand.

Paying attention to what your customers are saying and feeling

is a great way to figure out where there might be new pockets of demand, and it helps them feel as if they have a stake in your company's success. Customers who feel their voices are being heard and their complaints or suggestions addressed are more likely to become brand ambassadors, spreading the word about your company to other potential clients, which in turn can help grow sales.

After customers leave Drybar, they always get an email asking them to rate their experience. Try doing the same for your business, whether by following up with customers online, through the mail, or even in-person. Hear them out, and you'll get a better picture of if, when, and where your company should expand.



# Build a Team That Builds Itself

With fast growth comes new challenges, such as finding the right people to carry on your vision.

When first starting a business, there's a natural inclination to try to do everything yourself, and while that may be feasible for a small, single-location company, it doesn't work as you scale up.

In the first few days, Drybar was overwhelmed with demand, and it kept growing much faster than any initial projections. It was like being thrown into the deep end—for six months straight, I essentially never left the store. Knowing how to delegate becomes incredibly necessary when you're expanding a business. When Drybar reached around 11 or 12 stores, we made the decision to bring in experts who knew how to scale and maintain the efficiency of a big company. At the same time, we made sure each of these new hires was a good fit for our culture and the long-term future of the brand.

Training and professional development can go a long way toward ensuring additional staffers rise to your standards of quality, but there's also an aspect of personality that has to align with your work ethic and attitude. As I always say, good people breed good people. By bringing in the right employees, you'll

start a chain reaction that leads to more of the right hires joining up, and that will prove to be a powerful competitive advantage for your business.

*For us, the key was ensuring all new team members display the following qualities:*



**A shared passion for the core business**



**The same sense of corporate morals**



**Adherence to the company's culture**



**Agreement on the overall vision for the company**

# Consider Franchising

Franchises can be a relatively cost-effective solution to expand quickly into areas where you don't have a great deal of expertise or local know-how.

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Although we were hesitant to start franchising Drybar in the first few years, we've found that it can be a smart way to enter markets that we wouldn't otherwise be able to reach.

However, it's important to be protective of your brand and vet any potential franchisees to ensure they share your brand values and will deliver the quality service your company is known for. Finding the right balance between franchises and corporate-owned stores can be tricky, but a good rule of thumb is to only franchise in areas outside of your core market, while retaining ownership of stores within your primary customer group or region.





# Generate Advance Awareness

Breaking into new markets can be intimidating, whether it's opening a new location or targeting a different customer segment.



Laying the proper groundwork can help. One thing that's been really effective for us is building buzz ahead of opening a new location.

Even though we've opened over 40 Drybar locations, we still rely heavily on word-of-mouth recommendations to drive new business. In fact, we've never run a

traditional advertising campaign, and focus our energies on the experiential effect.

Much as you would transform loyal customers into brand advocates, try reaching out to local influencers and community groups before you expand. It also helps to host free events and deliver sample

products and services that will generate excitement among target customers by giving them hands-on experience with your offering.

When people like what you're doing, they'll tell others about it, and that carries a lot more weight than trying to make a hard sell.

# Slow Down to Speed Up

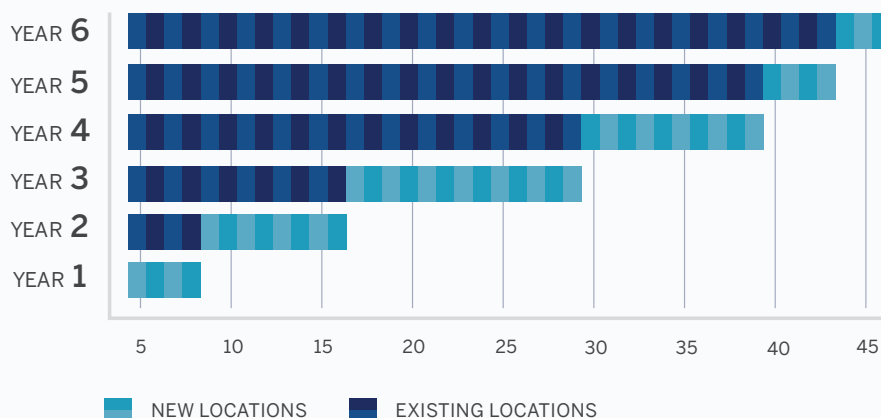
Growing too quickly has been the downfall of many businesses, especially successful ones that stretched themselves too thin to meet rising demand and ended up hurting their operations or their brand.

Scaling needs to be a strategic process, and that's why slowing down after an initial round of growth was such an important decision for us.

In 2014, after a period of rapid expansion, we decided to spend a year evaluating our processes to make sure the right foundation was in place for healthy, sustainable growth in the future. Instead of continuing to open new locations at the same pace, we focused on strengthening our team by adding a head of retail, a professional CEO and a head-of-product position. We also built up our marketing efforts.

If the momentum begins to distract you from improving or even maintaining your core business functions, it may be best to take a step back, look at your business and verify that you have the right systems and safeguards in place to protect your brand and your business.

Total Locations 2010-2015



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