



Zipp Lash Taking Its Growth to a New Level

Business uses alternative distribution channels to expand

The back story: Jason Carruthers was an optician and lens practitioner for almost 20 years. During that time he worked with laser surgeons and undertook a number of eye-glass and contact-lens fittings, gaining a view of the human eye and a perspective most people simply don't have.

One day, he read an article about eyelash extensions that would change his career path. "I just knew I could improve on the service based on my training and experience," he says.

He decided to take part in a one-day seminar to learn how to apply the extensions. "The training was so basic I almost felt sorry for the person training me. There was little depth to the information," says Carruthers. "With little or no barriers to entry, it's not surprising that so many offer the service. However, a good product does not equal a good business. This is a service business, and to be successful, you need to be able to properly fit the lashes and have strong systems in place."

With that front of mind, he launched Zipp Lash in Windsor, Ont. in 2008, initially on a part-time basis. Within four years, he was custom-fitting lashes six days a week. In July 2012, he approached Marc Larochelle, a lifelong local entrepreneur and fellow dance dad (their daughters attend the same local dance school) to help him expand the business. "I started by myself and grew it to the point where I was in high demand, but I wanted to get strategic and take growth to another level," says Carruthers.

Just prior to Larochelle signing on as president, Carruthers had taped an episode of *Dragons' Den*. His pitch was focused on growing the business by adding bricks and mortar retail locations and franchises — ideas quickly dispatched by Jim Treliving, chairman and owner of Boston Pizza International. In fact, it was Treliving who suggested pursuing an alternative sales channel by introducing Zipp Lash into existing salons — a strategy the entrepreneurs are now adopting.

"Our first step when I joined was to open a second location so that we could build the systems we needed in order to expand into salons and other complementary locations," says Larochelle. "We now have four corporate-owned stores in Essex County, and six salon partnerships, so we are in nine locations total, with two more set to open in June. We will not be opening any more corporate stores because Jim Treliving was exactly right, this is a much faster, more cost-effective way to expand our footprint."

It's certainly working for Zipp Lash and its salon partners. "It's a service their clients want and often they have a spare room available that could be generating revenue, but it is a



Marc Larochelle, left, and Jason Carruthers, of Zipp Lash. "I wanted to get strategic and take growth to another level," says Carruthers.

finicky business and expertise is necessary to make it work," says Carruthers. "We supply our lashes ... and the expertise. It's a win-win." In addition to the actual product, the salon-owners receive training as well as support in managing and growing the eyelash extension business.

"It's similar to a co-branding exercise," says Larochelle. "We are supporting the salon with online booking, a call centre, and they are running their own Zipp Lash business in their salon with their own people. It's incredibly low risk. There is no big capital investment because the salon already exists."

John Cho, national practice leader transaction services with KPMG, likes the business model. "In addition to leveraging the infrastructure of existing salons and minimizing overhead, it's also an opportunity to get free marketing, thanks to the endorsement of the salon staff who will be talking the product up to their clients." He also likes the recurring revenue stream the subscription model creates, which affords Zipp Lash the luxury of predictable cash flows. Still, Cho says this is a volume business and the key to growing significantly will be rolling it out to more salons and spas. "If they can show new salons the model is working elsewhere, their job is that much easier."

So what's next? Beginning this fall, Carruthers and Larochelle plan to open in one new location each week.

CIBC Tips: Choose the Right Channel

Whether you're just starting out or are expanding a growing business, there are a number of routes to access new markets. Consider your company's business model. Which channel(s) will maximize your reach and be most cost effective?

1. **Bricks-and-mortar** Gives you the greatest control over the client experience, but can come at a price. In addition to limiting you to a geographical area, when it comes to expansion, this is usually the most expensive and slowest option.
2. **Online** Provides relatively affordable access to a large market, while maintaining control of your brand. With the larger market comes a wider competitive landscape that requires specialized knowledge of eCommerce, including systems and technology to transact business, a logistics framework to support your operations and a marketing strategy to differentiate your brand and offering.
3. **Partnering/Licensing** For a knowledge or process-focused business, entering into partnerships or licensing the rights to your product or service, may offer you a way to access new markets without the significant investments in time and money associated with building physical locations. Keep in mind that your level of control over the product/service, the process and even your brand is then put largely in the hands of others. Ensure any partnership you enter into strikes the right balance for you and doesn't compromise your brand, or the standards you have for your product.

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Published July 9, 2014

Content created by Metro Media Sales Content Solutions, metromediasales.com