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PROBLEM SOLVED

Staying competitive

Salon Pompeo was raking in the money in the early '90s and **business spending** was almost as **fast and free**

By **WILLIAM HOFFMAN**
Staff Writer

UPTOWN — In the ego-driven world of high-fashion hair styling, where work is art and the stylist you trained yesterday could be your competitor tomorrow, Deanna DiPizio found a mentor to help navigate the waves.

New York-trained DiPizio's Salon Pompeo was the hip place for haircuts when it opened in 2,900 square feet on McKinney Avenue in 1994. Hot competitors such as L'Entourage and Insignia opened and closed constantly around her. "I had pulled all the talent out of the top salons, which is easy to do because everyone wants to work at the new cool place," DiPizio said.

For the first few years her business grew faster than hair. DiPizio started paying off her bank loans. Stylists filled her 14 chairs with a seemingly endless stream of dot-com longhairs. Revenue topped a half-million dollars the first year and approached \$1 million by the third.

DiPizio took her stylists to New York City every year for training and fashion updates, paying most of the \$20,000 tab herself. She lost two or three after every trip, either to competitors or to their own entrepreneurial instincts. "I was creating monsters," she said. In 1998, "I lost all the chiefs and was left with all 'Indians,' and with very little talent."

Around this time DiPizio realized her shop needed a makeover. Ten days and \$70,000 later, after DiPizio and her

staff returned from their annual pilgrimage to New York, Salon Pompeo re-opened with 16 chairs and a new look. But the business was hemorrhaging money — 1999 revenue was down one-third from its peak.

DiPizio knew she had to bring training to Dallas; she couldn't afford another New York trip. British-born Don Francis, president of education at Jingles International and DiPizio's trainer of a decade earlier, was winding down his role as international artistic director for the styling and hair products company when she offered him a job in Dallas.

Francis politely declined. But he agreed to visit Salon Pompeo every six weeks or so to cut hair, train new stylists and inject some discipline into Pompeo's manic management.

DiPizio, Francis said, "is a gutsy lady." But he added, "One main reason hair dressing salons go in and out of business is that they're run by hair dressers and not business people."

Francis advised DiPizio to hire a publicist. DiPizio said stylists frown on publicists: "If you have to pay someone to talk about you, you're not that good," she said. But DiPizio praised Dallas-based Gentry Public Relations L.L.P. for organizing charity events, finding media opportunities and focusing Pompeo as its late-'90s dot-com customer base shifted to early-21st century middle Americans and bluebloods.

"The way (DiPizio) interacts with her clients is the way I hope I interact

with the press," said publicist Suzanne Gentry. DiPizio includes Gentry in salon Christmas parties and major staff meetings, Gentry said. Gentry encouraged DiPizio to learn thermal reconditioning, a \$1,000-a-pop permanent hair-straightening technique that Pompeo became among the first in the Metroplex to offer.

Pompeo also did some belt-tightening, from acquiring a liquor license so it could sell at near cost the alcoholic beverages it used to give away, to replacing \$125,000 a year worth of valet parking with 40 spaces in a nearby parking garage.

Today Pompeo's revenue is returning to its late-'90s peak, DiPizio said. She relies less on established top talent and trains more stylists in-house. The salon is full, she said, and investors are encouraging her to open another shop, perhaps in Kansas City, Kan., or Atlanta.

Contact DBJ writer William Hoffman at bhoffman@bizjournals.com or (214) 706-7123.

Salon Pompeo Ltd. Co.

Business: Salon/spa
Headquarters: Dallas
Location: 3227 McKinney Ave., Suite 103, Dallas 75204
Ownership: Private
Top executive: Deanna DiPizio
Employees: 3 employees; 22 subleaseors (rent chairs for flat rate or split of income with Pompeo)
Stores: 1
Annual revenue: \$875,000
Phone: (214) 797-0440
Web: Under construction

GRIPPING THE REINS:

Salon owner Deanna DiPizio took control to get her business back on the fast track.



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