

A PureBeauty storefront, one of 717 salon and beauty-product stores acquired by Premier Salons last February. The acquisition makes Premier Salons the second-largest salon and spa operator in the world.



## Premier Salons

The making of a beauty empire

BY CHRISTOPHER CUSSAT

### AT A GLANCE

LOCATION:  
MARKHAM, ON

AREAS OF SPECIALTY:  
HAIR SALONS, DAY  
SPAS, AND RETAIL  
BEAUTY SHOPS

ANNUAL SALES:  
\$450 MILLION

SALES GROWTH IN  
PAST YEAR:  
100%

EMPLOYEES:  
9,500

IN 1984, AFTER WORKING AS A CHARTERED accountant for a few years, Brian Luborsky opened four salons under the name Magicuts. Four years later, he was running 26 stores. In the early 1990s, Luborsky decided to focus on the luxury category of the industry and began operating more prestigious salons in department stores like The Bay, Holt Renfrew, Neiman Marcus, and Saks Fifth Avenue. Today, as chairman and CEO of Premier Salons, Luborsky sits atop what is essentially a beauty empire—a diverse family of 1,000 high-end hair salons, day spas, upscale barbershops, and retail-product stores that dominate the market and reach broadly across Canada and into the United States.

In 2001, Luborsky sold Magicuts, and he recently acquired 717 beauty-product stores and salons from Regis Corporation, doubling Premier in size and revenue. The acquired stores have four trade names: Beauty Express, BeautyFirst, PureBeauty, and Trade Secret. All can be found inside major US malls, which extends Premier's foundational presence in both the United States and Canada. Luborsky believes that Premier's success is a result of moving into the top position of its market and then staying there. And after years of running a successful enterprise, he believes that it is important to share what he has learned with others. He's identified three critical areas of focus for executives.

1. In order to have a well-defined model, Luborsky believes that one must be explicit in deciding one's strengths and weaknesses. "If you try to be the best at everything, you'll go broke," he says. "So you have to decide where to spend money and where not to spend it. This can be achieved by determining what's most important to your customer and not wasting resources on things that don't matter that much."
2. Luborsky also believes that one must have a very specific strategy behind one's employee-management system. "In other words," he says, "for every level in the organization, you have to determine how to recruit the

right people for the job, train them, measure performance, and motivate by linking effort to rewards. One thing that every executive has to provide before they can hire a candidate is to decide upon three competencies that the person must have for the position, and three that would be just nice for them to have."

Luborsky also believes that in hiring, executives often make the mistake of considering 20 or 30 different attributes and then trying to find a candidate who possesses a lot of them. "Forget that," he says. "Focus on a handful of things that are really critical and make sure that they have all of those instead."

3. Understanding how corporate culture works and properly managing it is his final piece of advice. "You have to change the implicit assumptions that people have about what's important in order to change the corporate culture," Luborsky says. "So if an implicit assumption is that it's really important for everyone to be on time as a sign of respect for others, that usually guarantees that people will be on time." Luborsky also notes that this can be reversed. In other words, if one wants to be highly customer focused, perhaps the assumption is that handling a customer's problem is more important than being on time for any meeting—and then it would be all right to



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Brian Luborsky, Chairman & CEO



The styling stations at Holts Salon & Spa in Vancouver, designed in conjunction with New York firm Janson Goldstein in 2007.

#### Premier Salons include:

- Hair Studio, a mid-level-priced salon found inside Sears stores.
- Halcyon Days, a network of high-end salons and day spas that offer a retreat from the stresses of everyday life and focus on anti-aging solutions. (This division accounts for more than half of Premier's salon business.)
- Premier Salons, the company namesake, which are located in The Bay throughout Canada and in Macy's throughout the United States.
- Winston's Barbershops, which were named after Luborsky's Great Dane and come complete with flat-screen televisions and complimentary beer.

Saks loves enduring beauty.

WE SALUTE BRIAN LUBORSKY, CHAIRMAN  
AND CEO OF PREMIER SALONS



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be late. "In either case, you can't mandate change in the organization— whichever way you may want that to happen—unless you first change the implicit assumptions about what matters most to the organization and why," he says.

Luborsky concludes with a few reflections about professional growth. "Being an executive is not always great, but it's never boring," he says. "If you're always improving and always looking forward to doing things that are new and different, then I think that's where you want to be. Successful executives always feel this way—that work is always getting better, is always more interesting, and ultimately is always more fun." CEQ

#### A MESSAGE FROM SAKS FIFTH AVENUE

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