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In the News

Looking Good

To the family that runs Neill Corp., the Hammond, La., based company that distributes Aveda brand products to more than 1,000 salons across the Southeast, the business is about more than good looks. It's about helping clients and customers reach their full potential.

By Mark Miester

"People thought we were a cult," laughs Neill Corp. CEO Debra Neill Baker. "We always had kind of a spiritual philosophy about the world and our vision."

Reflecting back on her 30-year career with the company, Baker can afford to laugh. It may have taken three decades, but the business world finally seems to have caught up with the 'cult' from Hammond, La. Ideas like employee development, sustainability, carbon neutrality and achieving harmony with nature are common themes in the core values statements of businesses today, but when Neill Corp. was honing its vision in the 1970s, those new-age concepts were strange, radical and, in the minds of some, a little flaky.



Debra Neill Baker and Edwin Neill III (MBA '99)

To Edwin H. Neill II, the company's visionary founder and CEO, aligning the company's business operations with his personal values and beliefs was anything but flaky. It was an almost spiritual pursuit.

"Edwin was always concerned about whether or not he was going to reach his full potential as a human being," says Baker, who was married to Neill from 1984 until his death from complications following cancer treatment in 2004. "That was what drove him and so that was what ultimately drove the company."

Since its humble beginnings as a Baton Rouge beauty supply store, Neill Corp. has grown to become one of the leading names in the salon and spa industry with more than 700 full-time employees and annual sales of more than \$100 million.

Neill Corp.'s primary business is as a distributor of Aveda brand products and services. The company supplies Aveda's professional hair, body and skin products to more than 1,000 salons in 10 states across the Southeast. Neill

Corp. also provides those salons with a full complement of related services, including sales, technology, education and retail support.

Under the leadership of Edwin H. Neill II, the company began to expand its operations in the mid-'80s, moving beyond its core distribution business into related fields including ownership and operation of salons and spas, salon consulting and furnishing, technology and software development, and technical and professional education.

Today, Neill Corp. owns and operates nine Paris Parker Aveda Salons and Spas across Southeast Louisiana and a Lockworks Salon in Baton Rouge. Through its Etopa business unit, Neill Corp. provides salons and spas with architectural and interior design services, furniture and equipment, supplies and retail sales development.

Through its technology and software development subsidiary, Extended Technologies, Neill Corp. produces SalonBiz and SpaBiz, specialized management software for salon and spa owners. In 2007, SalonBiz received American Salon's Professional Choice Award for favorite software.

Neill Corp. also operates seven Aveda Institute cosmetology schools, which train students for careers as hair stylists, skin and nail estheticians, makeup specialists and massage therapists. The company also produces numerous hair shows and technical education events to showcase the latest products and teach hairdressers the latest styles.

In 1992, Neill Corp. began supplementing its technical education initiatives with business education for salon and spa owners. Neill Quality College combines personal and professional development in a curriculum designed to help salon and spa owners identify their current business situation and create strategic plans for growth and evolution.

In the late '90s, Neill Corp. launched Serious Business, an annual conference for salon and spa professionals that combines motivational and personal development themes with business and professional education. The most recent Serious Business in April 2007 attracted more than 1,200 attendees.

And as if that weren't enough, Neill Corp. also operates Garrison's Global Coffee Bar, a coffee shop in downtown Hammond that specializes in natural, organic and locally sourced products.

The indefatigable Neill was the corporation's sole shareholder and he personally oversaw every unit of the company until his death in 2004. Since then, management of the family-owned business has shifted to his sons Edwin Neill III (MBA '99) and Ross Neill, who serve respectively as president and chief technology officer, and Baker, whose job title doesn't mean what you think it means.

"It was funny because chief executive officer sounded really intimidating to me," Baker says of the transition. "Because one of the things I always brought to the company was a certain energy, one of our employees said to me, 'Debra, you know what you really are? You're our chief energy officer.' So now when I go to speak and I'm introduced, I make it very clear from the beginning that CEO means chief energy officer. That's part of what makes our company unique."



Ross Neill oversees Neill Corp.'s technology division, which specializes in management software for salon and spa owners.

While the company's business units were conceived to provide salon and spa owners with a one-stop shop for everything they need, a deeper theme connects them all: helping people to reach their full potential. Edwin Neill II believed strongly that personal development and business development were interdependent, and throughout his life he sought new ways both to improve himself and to improve the organizations he was associated with.

In the late 1970s, he and Debra were devotees of est, the California-based self-help movement founded by Werner Erhard to help participants experience personal transformations. Later, Neill became an early champion of Total Quality Management and went so far as to travel to New York to meet W. Edwards Deming, the father of the quality movement, and convince him to help Neill Corp.

redesign its distribution processes.

According to Edwin Neill III, the beauty industry was a good match for the philosophy of his father, who gained a great deal of satisfaction in helping customers improve their lives and clients improve their businesses.

"It's about the importance of working on ourselves so we can work on our businesses," Edwin Neill III says. "When you look at the 1,000 salons in our Aveda network and the 5,000 salons that use our software, we have a lot of leverage and we're able to impact those salons and the people who work in those salons, who in turn impact so many more people. So, for instance, when we talk about an idea like making sure our products are sustainable, those ideas can really spread far and wide through our network."

Given the company's deeply felt commitment to personal development, Edwin Neill III bristles slightly at the suggestion that the beauty industry is about vanity.

"It's about feeling good," he counters. "People want to look good because it makes them feel good. The relationship between a hair dresser and a client is a really powerful relationship, a lot of times closer than the relationship you might have with a physician. When you look at the impact of hairdressers on people's lives, there are millions of amazing stories."

Abner Neill Sr., Edwin Neill II's father, started his business career in 1932 as a salesman with Midwest Beauty Supply in Fort Smith, Ark. In 1944, Abner struck out on his own with the founding of Magnolia Beauty Supply in Shreveport with two partners. The business sold professional hair care products as well as equipment and furnishings to beauty salons in North Louisiana, Northeast Texas, South Arkansas and East Oklahoma, eventually expanding into South Louisiana as well.

In 1968, Abner Neill Sr. bought out his partners' share of their South Louisiana business and launched a new chain of beauty supply stores in Baton Rouge, Lafayette and Houma. He and his son, Edwin Neill II, who had joined his father in the company in 19??, christened the new business Neill's Professional Beauty and Barber Supply.

"We started off like Sally Beauty Supply," explains Edwin Neill III. "We were a cash and carry selling items to professional hair dressers for use in their stores."

Around that time, Neill began an association with Redken Laboratories, a U.S. beauty supply manufacturer founded in 1960 to improve hair care through science. The company stressed the chemistry of hair and using scientifically designed products to improve the health and beauty of hair.

In what would become a lifelong pattern, Edwin Neill II embraced this new, cutting-edge concept with a passion and became a devoted champion of Redken.

Neill's Professional Beauty and Barber Supply eventually became one of Redken's largest distributors, selling the full line of products to salons across the southeast as well as in the Neill retail stores. Neill was the first Redken distributor to do \$1 million in sales.

Edwin Neill II was one of the first distributors to recognize the importance of retail sales to a salon's bottom line. Most distributors at the time concentrated on the so-called back-of-bar products sold to professional stylists for use on their clients. Neill observed that in this new era of the Vidal Sassoon wash-and-wear cut think Mia Farrow in "Rosemary's Baby" customers would increasingly be caring for their hair at home and turning to their stylist for recommendations. Why not sell the products yourself in your salon, Edwin argued, rather than send your customers and their money elsewhere. Edwin Neill developed special retail racks to display Redken products and trained stylists in how to improve their at-the-register sales.

"I think we were one of the first," says Baker. "Retail sales were initially a very small portion of our business, but now about 50 percent of sales are retail sizes sold in salons."

In the mid-1970s, Edwin Neill II met a former hair stylist who had started a new company with a new approach to hair care. Horst M. Rechelbacher had come to the United States in 1963 from his native Austria and soon built a reputation as a top stylist and salon owner.

Rechelbacher embraced the hedonistic lifestyle enjoyed by many in the salon industry of the early 1970s, but by the end of the decade he was burned out. Seeking a change, Rechelbacher began studying meditation and Eastern philosophies. On a pilgrimage to India, he began investigating the use of herbs to promote good health. When he returned to the United States, Rechelbacher started making his own products for his salons using natural essential oils derived from plants.

In 1978, Rechelbacher founded Aveda Corp. to manufacture and sell a new kind of beauty product. Rechelbacher sought to create products that provided customers with their desired look without sacrificing healthy ingredients or environmental consciousness. In contrast to the Redken scientific approach, Aveda products stressed natural, sustainable ingredients and products in harmony with the environment. Every ingredient was tracked from cradle to cradle to ensure that it was harvested and processed in a sustainable way, from the Bulgarian rose and lavender in its shampoos to the Brazilian urukum pigment in its make-ups.

Edwin Neill II saw this new idea and he liked it. In 1979, Neill Corp. became one of Aveda's first distributors.

"He was a very progressive business person who was looking for innovation in design and function," Rechelbacher says of Neill. "He was very much interested in building organizations where everybody systematically participates in function, which was also my interest at the time. He was an innovative thinker and he could recognize innovative thinkers and make relationships with them."

"My dad was definitely attracted to the philosophy of the product," adds Edwin Neill III. "He had an incredible vision about what would work. A shampoo made out of cloves? That was really on the edge back in '79."

"It was a real challenge," says Baker, who sold Aveda products when the company first began distributing them. "This was the height of sex, drugs and rock and roll, and I was out promoting aroma therapy and natural and environmentally sensitive ingredients. They were looking at me like, 'What are you talking about?'"

Neill Corp. continued to sell other brands in addition to Aveda, but Rechelbacher, who would become a personal friend of the Neills, relentlessly pushed Edwin to sell Aveda exclusively. "I think he finally became convinced that less is more, and if you focus on less, it will become more," says Rechelbacher. "I think Edwin got that idea, but it took some negotiating. He had a huge appetite for business and always had five or six new start ups."

By 1991, Neill Corp. sold Aveda products exclusively. In the years since that decision, Neill Corp. has become almost synonymous with Aveda, working closely with the company, since 1997 a unit of Estee Lauder, to plan strategies and educational events.

Edwin Neill II was always addicted to the new, to the next great idea. Throughout his life he pursued knowledge with a relentless passion, whether it was a new self-improvement concept or the latest management theory, and he spread that knowledge with evangelical fervor.

"My dad had an incredible ability to connect with people," Edwin Neill III says. "He was always present. He went to every industry conference and event. I think that really put him in a position where, when these great new things came along, he was there."

"Edwin always wanted to have the latest, greatest idea he could find and the person it came from," adds Baker. "He was never satisfied with the consultant out there teaching somebody else's stuff. He would always say I want to go to the source."

He was also himself one of the true visionaries of the salon business, a man whose ideas helped shape the industry.

"One of the things he would say a lot, which I loved, was the quality of your life is determined by the quality of your decisions, and the quality of your decisions is determined by the quality of your thinking," says Edwin Neill III. "If you can work on your thinking, then good decisions will flow and a good life flows from good decisions."

In 2003, Edwin and Debra traveled to Dallas for a screening at the Cooper Wellness Center in Dallas that was intended to be a preemptive measure to ward off illness. Instead, Edwin was told he was suffering from Hodgkin's disease.

For a man with no symptoms who had spent his life in pursuit of health, it was a devastating discovery. Edwin devoted himself to beating the disease, using both alternative therapies and Western medicine. He died on Feb. 28, 2004, just a few weeks before his last scheduled chemotherapy treatment.

"Edwin planned to live to be 150 years old," Baker says. "No one expected him to leave us at 64 years old."

Always searching for new sources of information, Edwin Neill II had joined the Tulane Family Business Center in 1995 to take advantage of the center's research, programming and consulting services for family business owners as well as to network with other businesses. That decision

ended up being one of his wisest. With the assistance of the Family Business Center, Neill and his family formalized and signed a succession plan one of the most important and often-neglected needs for family businesses—just weeks before he died.

"Edwin was a visionary second generation patriarch who led Neill Corp. to new vistas," says John Elstrott, executive director of the Levy-Rosenblum Institute for Entrepreneurship, which oversees the Family Business Center. "He sought the assistance of the center to ensure that Neill Corp. would grow and prosper into the third generation. Fortunately Edwin engaged multiple family members and key managers in Family Business Center programming, so with Edwin's unfortunate early passing it was natural for the succeeding family members to turn to the Tulane Family Business Center for assistance with the transition."

"Our succession papers were signed 30 days before Edwin passed away," Baker says. "We didn't get it done as quickly as we should have, but thanks to our participation in the Tulane Family Business Center, we got it done."

"The Family Business Center was tremendously valuable to us as a family business," adds Edwin Neill III. "My dad was always in search of knowledge and the Family Business Center was a great source of ideas and information."

Edwin Neill III had grown up working in the family's retail stores, but after graduating from LSU he opted not to join the family business. Instead he went to LSU Law School, where he served as a senior editor of the Law Review, and upon graduation got a job with the New Orleans law firm of Stone Pigman. Neill practiced law for six years before joining Neill Corp. in 1997 as CFO.

According to Neill, his father not only didn't want him to go to law school, he didn't even want him to go to college. Edwin Neill II wanted his son to join the business right out of high school. Edwin III, however, resisted.

"Everybody likes to have a feeling of independence," he says. "When you're working for the family business and that's all you've ever done, I think you always have in the back of your mind a feeling that you can't branch out. When I came back to the business after getting a job with one of the best law firms in the city and being successful for six years, I think I really had a lot of credibility beyond the fact that my last name is Neill."

In the wake of his father's death, Neill took on the title of president. In that role, he oversees the business units and manages the finances of the company. While his father managed by inspiration, Edwin Neill III has added a touch more oversight.

"One of the transitions we went through after my dad died was we had always been a family-first family business," Neill says. "Now we've changed to a business-first family business. When my dad was running the business, he was the sole shareholder. Now there are many shareholders. There's a certain way you can make decisions when you own it versus when the ownership is more distributed. So while we love and care for our family members, our business concerns have to come first."

Under Edwin Neill III's management, the company has streamlined its operations, concentrating on the core business areas of the Aveda distributorship, salons and schools; educational events and initiatives; and technology and software development. The company has also continued to develop its real estate holdings. Edwin Neill II began buying dilapidated properties that surrounded the company's headquarters in the 1980s. Today, Neill Corp. owns more than 50 properties in and around downtown Hammond, and the company has been renovating and redeveloping many of the historic properties. In 2008, the company completed the historic renovation of the Cate Building, an Arts and Crafts building in downtown Hammond, into six luxury apartments and retail space housing a bookstore and an organic market.

While Edwin Neill II's successors have changed a few things about the company since his death, Edwin Neill III is proud to say the vision remains unchanged—helping clients to realize their potential. "When a customer lets us know how much Neill Corp. has helped them with their business, I think that gives me the most satisfaction about my job," he says. "I see that as continuing what my dad built, and that makes me feel good."