



Hair by 2011 NAHA Finalist Caitlin Charles

Hair by 2011 NAHA Finalist Steve Elias

2011 NAHA Finalist Carlos Sinton

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A Message from the Executive Director



Since the strategic merger of the industry's two largest trade associations, the Professional Beauty Association (PBA) and National Cosmetology Association (NCA) in early 2010, PBA has made great strides staying focused on our mission, which is to help advance the professional beauty industry and its professionals. We have been successful in advancing this goal through offering leading industry education,

advocacy for key legislation on Capitol Hill, creating events and forums where professionals can connect and ensuring valuable research and resources are available for our members and the industry. In this year alone, PBA had many successful accomplishments. Some highlights of these include:

- Through strategic alliances on Capitol Hill and proactive grassroots efforts, PBA's Government Affairs team has succeeded in getting the FICA Tip Tax Credit introduced in Congress and the Senate, stopped deregulation of the salon industry in New Hampshire, and helped to repeal the 1099 IRS Reporting Mandate.
- The organization launched a PBA Issue Advocacy Fund, which will help raise critical funding to strengthen PBA's efforts on Capitol Hill.
- PBA developed a strategic alliance with Milady, a leading provider of beauty

and wellness learning solutions, which has expanded our educational offerings through BeautyU, PBA's online education portal.

- The PBA team has executed successful recruitment campaigns, increasing membership in several sections.
- In response to industry demand and to broaden the beauty tradeshow market, PBA introduced a new tradeshow in the Midwest market, the International Salon and Spa Expo Midwest (ISSE Midwest), which attracted 12,500+ attendees and 150+ exhibitors.

We have highlighted our 2011 accomplishments in this mid-year review and we hope you enjoy reading it. We look forward to continued success and working with our teams of volunteers and staff to achieve even more wins over the rest of this year and in the future.



Steve Sleeper
Executive Director
Professional Beauty
Association

Membership



For information on PBA Membership benefits visit probeauty.org/membership

The Professional Beauty Association is continually working to enhance and improve the value of its member benefits. In May 2011, members of the Salon/Spa and Beauty Professional Leadership Councils, PBA Membership Committee and key association staff participated in a strategic planning session. The meeting provided constituents an opportunity to evaluate the current landscape, discuss upcoming opportunities and determine how to best position and/or re-align the membership structure moving forward. The information gathered at this meeting provided the Membership Committee with the framework needed to begin the process of analyzing the current structure and menu of member benefits.



In addition, the PBA Membership Committee has finalized two important member-centric documents. To ensure and promote integrity in the professional beauty industry, PBA now asks members of the Salon/Spa section and the Beauty Professional section to subscribe to PBA's new Code of Ethical Practice and Commitment to Best Practices.

Power in Numbers: Membership's Mid-Year Highlights

Membership in PBA is growing! More and more industry professionals are joining the association and benefitting from all the organization has to offer.

- A successful recruitment campaign launched in early 2011 added more than 500 new members to the Beauty Professional membership section.
- The Student membership section has experienced significant growth – the section more than doubled in the first half of 2011.
- Membership in the Manufacturer, Distributor and Salon/Spa sections is holding steady and is expected to experience net gains by the end of 2011.

PBA is excited to announce that organizational members now enjoy a 20 percent discount through Mega Meeting, and the association has recently introduced new health and liability insurance options for both our individual and organizational members.

Research & Resources: Knowledge is Power

For information on PBA's
Research & Resources
visit probeauty.org/research

PBA develops valuable research and resources that all sectors of the industry can leverage to stay abreast of industry trends and help improve their business. Highlights from 2011 include:

47 percent who reported a retail sales gain in the fourth quarter.

- A record 34 percent of salon/spa owners said they added employees between the first quarters of 2010 and 2011.

PBA's Quarterly Salon/Spa Performance Index (SSPI)

PBA's Quarterly Salon/Spa Performance Index (SSPI) for the first quarter was released in May of this year. It tracks the health and outlook of the professional salon industry and is fielded quarterly among salon/spa owners nationwide on a variety of indicators including service and retail sales, customer traffic, employees/hours and capital expenditures. The SSPI reached record highs and broad-based gains in first quarter. Highlights include:

- Q1 Salon/Spa Performance Index Driven by stronger service and retail sales in the fourth quarter, the SSPI bounced back from its third quarter decline.
- The Salon/Spa Performance Index – stood at 104.0 in the first quarter, up 0.4 percent from the fourth quarter and its second consecutive quarterly gain.
- Fifty-seven percent of salon/spa owners reported an increase in same-store service sales between the first quarters of 2010 and 2011, while 17 percent reported a sales decline.
- Fifty-seven percent of salon/spa owners reported higher retail sales between the first quarters of 2010 and 2011, up from

PBA's 2010 Market Shipment Results

Released in March of this year, the 2010 year-end study reports that overall, the hair care market experienced positive year-over-year growth of 2.35 percent from 2009 to 2010. This growth is based on total hair care product shipments of \$1.9 billion. PBA's Market Shipment Study is based on an anonymous survey tabulated by an independent firm and includes the results from some of the largest professional hair care manufacturers in the world. The results from the year-end 2010 PBA Market Shipment Study demonstrated some positive indicators for the beauty industry. The economy continues to have mixed indicators. Other highlights from the study include:

- Total hair color shipments increased by 6.3 percent from 2009 to 2010.
- Total hair care shipments increased by 3.2 percent in the same period.
- Smoothing/straightening category increased shipments by 3.0 percent.



Distributor Benchmarking Survey

This report presents the results of the Professional Beauty Association's 2010 Distributor Benchmarking Survey. This survey was initiated to present a portrait of the distributor side of the professional beauty industry and to gather information from business owners about their current operations and their expectations for the future. Highlights from the study include:

- Median growth of 10 percent for responding distributors, with 36 percent reporting sales growth of 20 percent or more.
- Commission is still the main compensation for salespeople, with no responding distributors paying salary only.
- 88% of responding distributors think their business will be better in 2011, while only 4% expect a decrease.

PBA's FAQ about Professional Keratin Hair Smoothing Products

As the nation's largest organization of beauty industry professionals, PBA is committed to providing relevant information

to its members and the industry. This year, PBA developed an in-depth FAQ about Professional Keratin Hair Smoothing Products to provide useful and helpful information related to this topic. To view the the Professional Keratin Hair Smoothing Products FAQ and other resources, visit: probeauty.org/keratin.

Nail Manufacturers Council (NMC) Takes Action

The Nail Manufacturers Council (NMC), a subset of the Professional Beauty Association's manufacturer section, is made up of companies that produce nail care products. The NMC seeks to educate nail industry professionals and consumers about issues affecting nail care products and services. This year, they updated and released information around 11 critical topics that affect the nail industry. To access these documents, visit: probeauty.org



For information on PBA's Government Affairs program visit probeauty.org/advocacy

PBA's Government Affairs program works to promote legislation for the betterment of the professional beauty industry. PBA proactively advocates to ensure its members, and the entire industry, are represented at the state and federal levels.

So far this year, more than 5,000 letters by beauty professionals have been sent allowing them to connect directly to the policy makers and voice their concerns. Additional accomplishments include:

- Introduction of the FICA Tip Tax Credit Legislation in both the Senate and House.
- Participated in national coalition grassroots efforts to successfully repeal the 1099 IRS Reporting Mandate.
- Launch of PBA's Issue Advocacy Fund, which will help protect and grow the beauty industry ensuring movement

on government issues that affect the industry.

- Solely orchestrated a mass grassroots effort directed toward New Hampshire state legislature that successfully prevented the deregulation of the cosmetology industry in that state.
- Supported Interchange Fee Reform and participated in coalition efforts to ensure no further delay in its implementation.
- Organized members from across the U.S. to participate in more than 30 meetings on Capitol Hill to urge Congressional members to support the FICA Tip Tax Credit Legislation.

A Look Ahead...

- PBA is seeking co-sponsors for the FICA Tip Tax legislation and is working to move the bill from the committee to the floor for Congressional vote.
- Together with Personal Care Products Council (PCPC) and Independent Cosmetics Manufacturers and Distributors (ICMAD), PBA has joined the Safe Cosmetics Alliance, which is another opportunity to ensure our voice is heard in Congress.
- PBA Lobby Day.
- PBA will be exploring a new advocacy website to share with members and the industry how to join our grassroots efforts.



Industry Events



NAHA: The World was Watching...

Over 35,000 viewers from around the world tuned in to watch the NAHA event live through HairDesignerTV!

For information on PBA's Industry Events, visit probeauty.org



A licensed professional purchases salon products at PBA's ISSE Midwest show floor, which was held in Rosemont, Illinois.



Beacon Students Become More Accomplished at PBA Beauty Week!

PBA hosted 200 Beacon students at PBA Beauty Week, which connected them with the industry's best educators and professionals for an unbelievable learning and career experience. For more information, visit: probeauty.org/beacon.

PBA is renowned for its programs and events. From celebrating the artistry of beauty professionals at PBA's annual North American Hairstyling Awards (NAHA), held during PBA Beauty Week in Las Vegas, to bringing the latest tools and products under one roof at the International Salon and Spa Expos (ISSE), PBA's family of events offer something for every sector of the beauty industry.

In response to industry demand, PBA launched the International Salon and Spa Expo Midwest (ISSE Midwest) to an enthusiastic industry, March 26-28, 2011, in Rosemont, Illinois. The inaugural event was a success and attracted more than 12,500 licensed professionals and 150+ exhibitors.

In addition to launching ISSE Midwest, PBA's events introduced many new valuable benefits for its attendees, including:

- Launched an EstheticsAmerica and Wellness pavilion at ISSE Long Beach and ISSE Midwest.
- Continuing Education (CE) Hours are now offered in several professional categories at both ISSE events.
- In partnership with Cosmoprof North America, salon/spa owners enjoy access to the PBA Symposium Business Lounge, a dedicated space on the 2011 expo floor designed specifically for their individual business needs.

- Held a Webinar on how to "Navigate OSHA Standards" which educated the industry on critical compliance and safety issues.
- Advanced skin care education with CIDESCO Section USA classes now offered at ISSE events.
- Introduced the NAHA Room at both ISSE events, designed to offer attendees specialized training from past NAHA finalists and winners – the industry's leading stylists.

Cosmoprof | PBA Beauty Week continues to be a powerful event. Each year, it is extremely successful with business-to-business strategies that benefit both the sellers and the buyers, including:

- *International Buyer's Program:* Over 500 one-to-one, high powered meetings were set up involving more than 200 exhibiting companies from around the world. Sponsored by UNIPRO, the Italian Association of Cosmetic industries, this effort becomes stronger each year and adds to the success of the event.
- *Discover Beauty:* In its 5th year, Discover Beauty attracts the most influential retailers and connects them with emerging brands while educating them on the latest trends in the industry. This year's event attracted the following top retailers: Bergdorf Goodman, C.O. Bigelow, Cosbar, Henri Bendel, Nordstrom, Skins 6|2 and Zappos.

Online Education



For information on PBA's education programs, visit probeauty.org/education

Education drives success. Over the past several years, PBA has expanded its educational offerings to complement the high quality education found at PBA's Education Programs. In 2010, PBA launched its online education portal, BeautyU, which has gained significant momentum in 2011 and continues to grow. As part of our live online offerings, BeautyU has hosted several successful webinars and web series. Highlights include:

- An ISSE “Meet the Educators” webinar series, which featured renowned speakers from both ISSE Long Beach and ISSE Midwest.
- A “Be More Successful” web series, a powerful preview of PBA Beauty Week education and events.

- An exclusive Best Practice Club webinar series, coaching salons on effective social media strategies.
- A highly attended webinar on how to “Navigate OSHA Standards,” educating the industry on critical compliance and safety issues.

Developing New Partnerships

PBA is proud to announce a partnership with Milady, a leading provider of beauty and wellness learning solutions, providing the industry with superior educational and business training resources for more than 80 years. This partnership will enhance PBA's capability to offer the industry more on-demand, online education for Distributors, Manufacturers and Salon/Spa professionals. In addition, as part of this effort, PBA re-launched its online Distributor Sales Consultants (DSC) Training program for the industry, which educates DSCs on everything from understanding basic hair color theory to using industry-specific selling strategies to maximize success in the salon industry. To access these online education courses on-demand, 24/7, please visit: probeauty.org/education.



Charitable Initiatives



To learn more about PBA's Charitable Initiatives visit: probeauty.org/charities

The Professional Beauty Association strongly encourages its members to give back to their professional and local communities through charitable outreach programs with the NCA Cares Fund. Charities are a strong part of PBA and a catalyst for ensuring the industry unites when people need help and support. PBA's charitable efforts (listed below) have been busy this year. Highlights of their activities and accomplishments to date include:



Look Good... Feel Better.

CUT IT OUT

CUT IT OUT a program of the Salons Against Domestic Abuse to raise awareness of domestic abuse and training salon professionals to recognize the signs and safely refer clients to local resources. A new awareness poster is now available to order, free of charge. For more information, visit cutitout.org.

Dining for Change

Benefitting the NCA Cares Fund, Dining for Change events are held each October. For 2011, PBA is urging professionals to take part in Dining for Change to help professionals applying for aid from the Disaster Relief Fund. For information, visit probeauty.org/dining-for-change.

Disaster Relief Fund

In the Spring of 2011, Massive flooding and historic tornadoes caused the devastation of thousands of homes and businesses across the South and Midwest. The PBA | NCA Disaster Relief Fund immediately stepped in and continues to be there as professionals begin to piece together their lives and businesses. PBA continues to raise funds for victims of devastation. As of June 2011, 30+ applications and counting have been received and more than \$20,000 in aid has been dispersed to professionals in need. To make your tax-deductible donation, and support the Disaster Relief Fund, please visit probeauty.org/disaster-relief-fund.

Look Good... Feel Better

PBA is working with the Personal Care Products Council and American Cancer Society to enhance volunteer recruitment. This year the program trained nearly 30 new Look Good... Feel Better Area Trainers. LGFB is always striving to reach more patients and recently held the first ever Virtual Workshop. For more information, visit lookgoodfeelbetter.org.

PBA's Disaster Relief Fund went into fast action this year when the country was devastated by many disasters. Here is a letter sent to our Chairman of the Board, Bruce Selan, about one of the many disasters the fund helped this year:

"Bruce, you've brought tears of hope to me this morning. I will work on trying to find where displaced cosmetologists have relocated to. In a town of 90,000 - 6,000 homes were destroyed within the city limits. All three of my receptionists were left homeless from this tragedy. I am sure there are more salons, as the ones I have listed are all on the main drag within a 1/2 mile - there is a 6 mile trail of devastation. THANK YOU, THANK YOU, THANK YOU! This means so much to me..."

Kim Lockhart | Balance Salon | Tuscaloosa, Alabama

Incoming & Outgoing Board of Directors & Leadership Council Members

For information on PBA's Board of Directors, Leadership Councils, and how to volunteer with PBA, visit probeauty.org.

The PBA Board of Directors is made up of three representatives from each of PBA's four Leadership Councils, which are Distributor, Manufacturer, Salon/Spa, and the Beauty Professional. Each council is comprised of dedicated members who have taken an active role in the association. The Board of Directors handles budgeting, endorsement of legislation, strategic planning and other industry-wide issues.

To contact a council member, or to learn how you can get involved with one of the PBA councils, please contact leadership@probeauty.org.

For a full listing of your PBA Leadership Council and Board of Directors members, please visit probeauty.org.

PBA is proud to welcome its incoming Board Officers:

BOARD OFFICERS (INCOMING)

Max Wexler (Chair)
President
Beauty Craft Supply & Equipment Co.

Scott Buchanan (Vice Chair)
President
Scott J. Salons & Spas

Bruce Selan (Treasurer)
Zotos International

BOARD OF DIRECTORS (INCOMING)

Harlan Kirshner
Kirschner Group

Beth Hickey
Spa Specialties Representatives

PBA is also proud to welcome the following new Leadership Council members.

MANUFACTURERS LEADERSHIP COUNCIL (INCOMING)

Ken Russo
Conair Corporation

Colin Walsh
Matrix USA

DISTRIBUTOR LEADERSHIP COUNCIL (INCOMING)

Cynthia Heisser
Ultimate Beauty Companies

SALON/SPA LEADERSHIP COUNCIL (INCOMING)

Oliver Steinnagel
Oliver's Hair Salon

BEAUTY PROFESSIONALS LEADERSHIP COUNCIL (INCOMING)

James Jordan
Matthew Ray Salon/KMS
California Global Marketing

PBA would like to thank its outgoing Board of Directors and Leadership Council members for their service and dedication to the association.

BOARD OF DIRECTORS (OUTGOING)

John Heffner
CND

Marlene Bridge
Educator and Consultant

MANUFACTURERS LEADERSHIP COUNCIL (OUTGOING)

George Schaeffer
OPI

Bruce Selan
Zotos International

SALON/SPA LEADERSHIP COUNCIL (OUTGOING)

Cary O'Brien
Cary O'Brien's Design & Color Spa

BEAUTY PROFESSIONALS LEADERSHIP COUNCIL (OUTGOING)

Kris Kutcher
Kristopher's Hair Studio