

**Talks at GS**  
**Alli Webb**  
**Founder, Drybar**  
**President, Canopy**  
**Allison Mass, Moderator**  
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**Allison Mass:** I'm Allison Mass. I'm Chairman of the Investment Banking Division at Goldman Sachs. Alli, I'm really excited to hear about your founder story. And so, today what we're going to do is talk about your business, your keys to success, and so much more.

So, with that, let us turn to the basics. The term "blow out" is now a regular part of nearly every woman's lexicon. Drybar is a household name here in America. And, of course, I'm a big fan and a frequent customer. So, let's start with the basics for our audience. What exactly is a blow out? And why is Drybar's take on it been so revolutionary for the beauty industry?

**Alli Webb:** Well, I'm pretty sure all the women know what a blow out is. How many of you have been to a Drybar, by the way? Okay. Good. The way I always explain

it to men is, like, when your wife goes to the hair salon and she gets her hair cut or colored and then they blow it out, she comes home. She's got this extra confidence. Her hair looks amazing and feels amazing. You know, it's really styling your hair.

And it's funny because my brother, Michael, who is my business partner, who happens to be a bald man, was like, "I don't understand why?" Shout out to bald men in the group. Woohoo. You know? He was, like, "I don't understand why women would want this? Can't women do their own hair?"

I'm like, "Well, we can. But somebody else can do it better." And that was really the crux of why, you know, as a curly haired girl and grew up in south Florida which was, like, humid city. And just, you know, had unruly hair as a kid and didn't like it. And didn't like how unkempt I felt.

But, you know, so, Drybar created a place, and as she said when we were coming out, it was a personal necessity. I really always wanted something like Drybar, a place where I could get an affordable blow out in a really cool space. Like, there was also, before Drybar, there was a lot of

variable pricing where, you know, if you walked into a hair salon 12 years ago, they would look at your hair and be, like, "Well, for you, it's going to be 60. And for you it'll be 85." And I just was, like, what is this? And I hated that as a consumer. And having worked in hair salons, cutting hair and whatever for years, there were so many things about what the industry was doing that I didn't like as a consumer. And so, I really wanted to change that.

**Allison Mass:** What was the turning point when you realized that you could truly scale the business?

**Alli Webb:** Well, I think we knew very early on, and having worked in hair salons most of my adult life, you know, they take some time to ramp and to get going. And before we even opened Drybar, I don't know if you guys remember Daily Candy, but it was this website 13 years ago that would rate the new cool spa. And they ran a piece on us before we opened. And all of the sudden, I'll never forget the moment, my brother and I were sitting at Coral Tree Café, right next to Brentwood. And our Blackberrys started buzzing because you could book Drybar appointments online. And we thought the system was broken because all of these appointments were flooding in.

And we were like, what's going on? And Daily Candy had just run.

So, you know, that was about a week before we opened. And so, when we opened, we opened to this booked salon. Which is, like, unheard of. Just, in my experience, that doesn't happen. And so, you know, the writing was on the wall then. And we knew that, like, we might be onto something. But let's see.

But I think it was really early on that we knew. And I remember being in the store that first day and it was just bananas. Women everywhere. Like, there was so much going on. And I remember calling my brother, like, crying because my brother was still working at another job. Cam was still working at another thing. And so, we started ramping.

I mean, those first, like, four or five years, we were just on a rocket ship. Store after store. Opening after opening. I mean, I personally went to the first, like, 50 openings. And my kids were like three and five. So, it was crazy. It was a crazy time.

**Allison Mass:** Sounds exciting. So, I want to talk about the pivot to sort of the product. From service to product. So, when looking at the story of Drybar, the launch of styling tools and product line seems to be exactly that. So, what enabled you to grow from a service to a product business? And what lessons would you share with the audience about this expansion of the business model?

**Alli Webb:** Well, it seemed kind of like a no-brainer to go from, you know, we were using products from a bunch of different lines. And there were products that I knew and loved. But I felt like they didn't work together well. And it wasn't exactly what we wanted. And obviously, you know, when you get a blow out, you want it to last as long as possible. So, the products need to be light and whatever.

And so, I really wanted, very early on, I wanted to start a product line. I just didn't really know how to do that. And so, I started enlisting people to help me. And product specialists. And it really wouldn't be until we raised our first 26 million in year two or three that some of that money was earmarked for product.

But like I said, I brought in a product consultant who really

helped me. You know, if you've developed hair products, you know that what's in the packaging, the stuff in the product and then how it reacts with the packaging and how it reacts with the box. I mean, there are just so many things. And the fragrance and the scent. And things change. And it's just crazy developing product. But I really felt like we needed to create product that was very branded to us. Created for the perfect blow out. That was really what we were going for.

And we launched it in Sephora. We did a test in 75 doors. And it killed it. And it did so well. I'll never forget, like, the morning that that launched. And there was so much pressure, like, is this going to work? And now we've spent all this money. And of course, at that point we didn't have a head of product. We're spending all this money. Our margins were terrible.

But I was like, we get one chance to do this really well. And so, I was, like, we're going to do this as good as we can. And we launched in Sephora. And it really resonated.

And what I learned was, like, because Drybar had gotten all this popularity as the place to get blow outs, if you

didn't have a Drybar near you, you know, you could go and buy the Drybar product to get the same experience at home. So, we really had, unlike anybody else in Sephora or in retail, you know, we were like the blow out authority. And now you can get the products that our stylists are using. And then, of course, we started with the blow dryers and the curling irons and all of the things. And it just quickly took off because people wanted to buy a piece of Drybar.

And yeah, I mean, the product became this other business within the business that added a whole crazy level of complexity. But it was awesome too. I mean, again, rocket ship. Just so much going on and, you know, it was so unbelievable.

**Allison Mass:** So, when you're on a rocket ship, as the audience knows, sometimes that can bring growing pains. So, what challenges did you face during some of those Drybar major growth phases? And how did you address them?

**Alli Webb:** Well, I think personally, I really struggled with giving up ownership. You know? I wanted to control

everything. And so, it was hard to bring in people and to let them do their jobs. You know? I was just so, like, tight gripped. And I wanted to control everything. And I wanted to be a part of every decision. Which is like, now on the other side of it, I realize, why? It's so much more free on the other side when somebody else is doing stuff.

And it was also, like, I didn't want to give over responsibility to other people because I was sure other people would mess it up. You know? It was very ego-centric back then. And then I realized that, like, I made lots of mistakes all the time. You know? And these people who I was bringing in, they also needed to make mistakes in order to be successful and to learn. I mean, we all know this. This is how you learn.

But when you're so in it, you know, it's like I really felt, like, and it's so silly now, but like if one thing went wrong, like the whole business was going to implode. You know? It was just that very small thinking that I then eventually came out of. But it was really hard for me to get comfortable with allowing other people to take over the reins because I had done everything for so long.



And frankly, I wasn't good at everything. You know what I mean? I think that was the big lesson for me too, was like, there were certain things that I was really good at within the business. And then there were a lot of things, I know somebody was saying money, numbers, I wasn't really good with the numbers. Like nobody wanted me doing payroll. I was the creative. You know? And I was the one who was making sure that-- and customer service was so important to me and the quality of the hair and the way the shop looked and felt. All of those things were important to me. And that was kind of my highest and best use. And developing products.

And I realized that when we were growing and scaling that we needed to bring in a head of operations. I didn't even know about these titles. Like, I had never worked in this world. You know? It was like we needed a head of HR. We needed all of these people who, like, knew what they were doing and knew how to run a business. And I'm supposed to know everything because I'm the founder and I'm supposed to know everything. You know? I mean, that was really how the mentality I thought of. And over time, I've learned so much more about, like, you actually don't have to know everything. And you can ask for help. And it's

okay.

And once I got to that point, it really was very freeing to be, like, oh, I don't have to work around the clock every single day. And then I can enjoy this more. Enjoy my life more.

**Allison Mass:** So, over 160 brick and mortar stores later and a proven line of styling tools and products, the success has been undeniable. So, when you reflect on this incredible story, if there were three things that you would say were key to your success, what would they be?

**Alli Webb:** Probably customer service. Really, like, bending over backwards for the customer. Which I really learned watching my parents who had their own business. And I think that that is such a key, key thing. And so underestimated. Especially now. I feel like service is in a weird place just due to where we're at in the world.

I think branding is another huge piece of our success. Another thing that often gets overlooked. You know, and the way-- and I don't just mean like a logo and the way things look. But I consider branding, it's like when you walk into your space, how does it feel? How is the music?

How is the temperature? How clean is it? What does the bathroom look like and how are your people greeting people? All of those things.

For me, when I walk into a business, and I'm sure most people are like this, you know, and you see, like, something that doesn't look and feel right, and you kind of notice it. And then I think our brains automatically go to, like, yeah, that doesn't look right either. And that doesn't look right. And now, all of the sudden, we're in critique mode instead of surprise and delight and enjoying it. You know?

And so, if you're not paying attention to those details of every little touch point at your place, you know, it can quickly unravel. And it just doesn't create that brand loyalty. You know? If you're really buttoned up and everything looks good, feels good, smells good, every sensory is where it should be, I think that makes people really fall in love with your business.

And then I would say, like, passion would probably be the third thing. I mean, I think in my experience it just takes, and of course you guys know this, so much blood, sweat, and tears to make a business work. And you just have to

put your whole heart and soul into it. You know? And know that there are, like, good days and bad days. And you've got to keep going on those bad days. And you have to just really love it enough to stick with it.

And I know Drybar looks like a success story. And everything was really easy. Like, it wasn't. It's never going to be easy. And the problems are never going to stop coming. It's more how you deal with them. And you've just got to love what you do, I think, to be successful. We all know it, but probably good to hear it.

**Allison Mass:** So, let's talk about your exit strategy. You spent a decade building and running Drybar. And then you exited the business. And I know a lot of our small business owners are plotting their exits right now. So, my question is when did you know it was time to exit? And how did you set yourself up for a successful exit?

**Alli Webb:** Well, I think, you know, we started thinking about it, I don't know, maybe seven or eight years into it. Like, do we go public? Do we sell it?

I think we knew that-- we figured out that the product

division and the service division were going to be a separate sale because I remember years before I even thought about this I sat down with the president, I was at a dinner, and I was sitting next to the president of Revlon. And he was like, "You're never going to be able to sell this to an Estée Lauder or L'Oréal." And I was like, "What? That's the plan." You know? And he was like, "They don't want the nightmare, an HR nightmare of 4,000 employees." And I was like, "Oh. That's interesting."

And that always stayed in the back of my mind. And so, I think we realized once we were going to sell, we were looking to sell or looking to do what was next, and like I said, I had really given up a lot of autonomy of the business. And the business was really running pretty smoothly, I felt like-- I think we all kind of felt like we needed to break these up. And so, we started to do a process which is to just sell the product line. And then to sell the stores separately.

So, you know, right before the pandemic hit, we did sell to Helen of Troy, just the product division for 255 million. Which was pretty amazing.

**Allison Mass:** Woohoo!

**Alli Webb:** Yeah. However, a month later the pandemic hit. Probably of the 160 stores, I don't know, 80 or so of them, maybe 70 were franchise. And the rest were company owned. And we were going to basically sell off the company-owned stores and turn them into franchises. Which is a great plan because they were doing really well.

Well, now they're doing nothing, you know? And we literally shut everything down in the pandemic for almost two years. And we were like, you know, on fire for so many years. And now we're trying to sell them. And you're like, you know, we hope it comes back. Which I had no doubt that it will. But you know, you can't sell it in that state.

So, it was a little challenging on the way out. But, overall, you know, we all did really well. And were really successful and, you know, can't really complain.

But I think it was just in terms of, like, why it was time, you know, I think for me it had run its course for me personally. I had built this business. I got it to where I wanted to get it to. And I was kind of ready for the next

thing. I'm also a big believer in everything happens for a reason and this all went down the way it was supposed to go down. And I learned a lot. And we had a tremendous success. And the stores are on the rise again. So, I feel like my legacy is intact.

**Allison Mass:** So, everyone here knows how difficult it is to be a founder. And you must be a glutton for punishment because you keep doing it. Again. And again. And again.

**Alli Webb:** There's like something in our blood, you know? You just can't stay away.

**Allison Mass:** Clearly. You're the Co-Founder of Squeeze. A new massage concept that has a similar model to Drybar. You're also the Co-Founder of Becket and Quill, a beautiful and affordable jewelry line. You're the President of Canopy, an innovative best-in-class humidifier company. And you just told me back there, you're writing your second book. So, wow, like, you're busy. So, talk to me about how you have used the lessons that you learned at Drybar to inform your other business pursuits and all of these companies?

**Alli Webb:** Yeah, well, I mean, Squeeze, our massage concept, which is a brick and mortar, we opened the first one in, right before, again, the pandemic. And we were open almost a year. And it was doing amazingly well.

The thing that's different and amazing about Squeeze is, you know, it's a place where you go for massages. But everything is on an app. So, you book on an app. You tip on the app. You put all your preferences from, like, the parts of your body you like massaged, oil, lotion, the temperature. Again, back to those details. Like, everything is very particular. And when you're done with your massage, you walk out. You don't have to, like, deal with anybody, which is so great. It's like the same founding team as Drybar.

So, we opened the first one. Did incredibly well. Incredibly successful. And then the pandemic hit. We shut down. And we were shut for about two years. And now this last year, we're doing exclusively franchising. And we've started selling franchise. And I think this year alone we've sold 30. So, they're about to open.



I mean, the massage business is a good business to be in. And, you know, I think what we did with Squeeze, similar to what we did we Drybar was, like, you could either go to a spa and spend \$300 on a massage. Or you could go to, like, the discount chain where it's very hit or miss. You know, we kind of sit in that sweet spot in the middle where it's an affordable price. The branding, the aesthetic, the operations, everything is really on point.

So, Squeeze has been really tremendous. And I think there is even more runway for Squeeze because it's men too, where I've typically been in the women's space. So, it's been a really exciting journey.

**Allison Mass:** Alli, this was so much fun. And you have an incredible story. And there is so much more to come. And we're going to be watching for you.

**Alli Webb:** Thank you. Thank you so much. Thank you, guys.

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