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When pulchritude pays off: Xtreme Lashes LLC

While barely batting an eye, entrepreneur Jo Mousselli spins her passion into nationwide enterprise.

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Jo Mousselli didn't know it at the time, but her 10 years as a nurse in the pediatric intensive care unit at Texas Children's Hospital was the perfect training ground for a new career in the beauty industry.



Mousselli, president and founder of **Xtreme Lashes LLC**, which sells a semi-permanent eyelash extension product to professional beauticians, says her work as a kindergarten teacher, and later as a pediatric nurse, taught her how to manage a company.

"The three jobs are actually very autonomous," she says. "As a teacher, you have to know how to manage a classroom, and as a nurse you have to know how to manage patient care. There's lots of decision-making and problem-solving. That really gave me the foundation for becoming an entrepreneur."

Mousselli, who was working at Texas Children's while raising four kids as a single mother, later got remarried and her new husband encouraged her to follow her dream of one day starting her own business.

She knew from her experience with the parents of her students and the parents of her patients that she wanted to do something that involved women, while also playing on her passion for the health and beauty sector. After countless Google searches, Mousselli stumbled across several chat rooms about a new eyelash extension process that had begun as a trend in Asia but was just beginning to make its way to the United States.

Mousselli and her daughter, Noor Daoudi, who was 21 years old at the time and was working as a makeup artist, spent months researching, designing and testing different materials and processes to create a semi-permanent eyelash extension product.

The endeavor became a family affair, as Mousselli's husband lent his expertise as a chemical engineer for Chevron Phillips Chemical Co., and her son handled marketing of the product. Another son later joined in to handle public relations in the start-up phase.

After six months of preparation and R&D, they launched Xtreme Lashes in September 2005 as a home-based business on the Internet, selling the product only to licensed beauty professionals who were willing to travel to Houston for two days of hands-on training in the application process.

Demand for the product was so high that in just four months, Spring-based Xtreme Lashes progressed from offering one training program a month in Houston to 16 a month in cities across the U.S., a pace that it maintains today. The company also quickly signed on some international franchises that were certified to sell and train on the product abroad.

Mousselli says Xtreme Lashes, which was completely self-funded, turned a profit in just three months.

Five years later, the company has trained more than 6,000 stylists to apply the eyelash extensions in the U.S. and 3,000 more internationally. Xtreme Lashes is active in 50 countries.

And revenue has followed suit, rising from \$3.9 million during the company's first full year in business in 2006 to \$5.93 million in 2008. The recession caused a slight drop in 2009 revenue, which dipped to \$5.67 million.

Profit sharing

Although Xtreme Lashes was hampered by the recession as consumers' discretionary spending declined, Mousselli put some incentives in place to boost morale and keep sales-generating ideas spinning. She recently implemented a profit-sharing model that gives employees a piece of the company's profit every quarter, and the staff meets once a month to come up with ideas to increase profits and reduce costs.

"The model was designed to give the employees a sense of ownership and keep things moving forward during the recession," she says.

Recession aside, Mousselli credits the company's out-of-the-gate growth to her insistence on a systematic approach to the business, which she learned through her nursing career. Even when Xtreme Lashes was a true start-up, she required her family members to document everything they did and fill out forms to back-up their work.

For example, while Mousselli and her daughter tested materials during the R&D phase of the Xtreme Lashes product, they created evaluation forms listing the positive and negative outcomes of each test. And once the company grew, the employees of each "department," even if it consisted of just one person, had to fill out reports on tasks completed and in progress. Those reports are still a cornerstone of Mousselli's management style.

Mousselli says she learned the value of documenting every detail when she was in the pediatric unit at Texas Children's, where the nurses were taught that if they got "hit by a car" during lunch, the next nurse should be able to use documented charts to pick up exactly where they left off with no unanswered questions about the patients' background or treatment.

“A lot of entrepreneurs have fantastic ideas, but to lay a strong foundation you have to have something that is scalable, and you have to have policies and procedures, or you end up with chaos,” Mousselli says.

SEEING STARS

While the semipermanent lash extension product is the company’s bread and butter, Mousselli decided after meeting with 17 beauty editors in New York a few years ago that she needed to also introduce some consumer products rather than stick strictly to a business-to-business model. So Xtreme Lashes rolled out eyeliners, mascaras and other cosmetic products that are now sold through a separate consumer Web site.

But Mousselli says the focus remains on marketing Xtreme Lashes to beauty professionals who work in salons and spas. About 73 percent of the company’s revenue is generated from application supplies and training programs, while retail product sales make up the rest.

Xtreme Lashes has also broken into the tight-knit entertainment world and has been invited to apply lashes to some celebrities at such high-profile events as the Academy Awards, the Emmy Awards, the Cannes Film Festival, the Golden Globe Awards and the Latin Grammy Awards (see story below).

The lash extensions, which take about two and a half hours to apply, cost about \$350, depending on the stylist and city. They have to be touched up every two to four weeks, which takes about 30 minutes and costs about \$75.

Billy Lowe, a celebrity stylist and beauty director based in Los Angeles who has been applying Mousselli’s eyelash product to clients for about three years, says Xtreme Lashes established itself as a major player in the industry before lash extensions spread to the masses, which later spurred lots of mom-and-pop proprietors.

“Everything for Jo happened magically at the right time,” he says. “They entered the market when there was a need, and they were very savvy in recognizing the timing for the need.”

Mousselli says the company is one of the few in the industry that still requires hands-on training for stylists, rather than just offering it as an option. In fact, Xtreme Lashes invests about \$1 million a year in an education department dedicated specifically to working on a standardized training curriculum.

Manufacturers and suppliers from around the United States and 12 other countries manufacture the product according to Xtreme Lashes’ specifications, and product assembly and distribution is handled from Spring.

Xtreme Lashes handles its own distribution to ensure that buyers are licensed and have been trained in the application process. The company employs 15 to 20 trainers in major

U.S. cities, and stylists pay Xtreme Lashes between \$1,700 and \$2,100 for the training and materials.

And while Xtreme Lashes now has 50 full-time employees, the venture remains a family affair, with Mousselli's daughter serving as a trainer and also working in product development, and her oldest son working in marketing and in the search engine optimization process. Her husband still pitches in to help in his off-hours.

Lowe says keeping the family involved in the business even as it grew into a nationwide enterprise was a smart move by Mousselli.

"Having that family support and that sense of teamwork really put her company into the fast lane," he says.

And the winner is.... Xtreme Lashes

Jo Mousselli enjoyed her Oscar moment.

The president and founder of Xtreme Lashes recently returned from a whirlwind trip to Los Angeles, where Xtreme Lashes had a booth in the 2010 Academy Awards celebrity lounge for presenters and nominees during the prestigious March 7 event.

A few days before the Oscars were handed out, Xtreme Lashes were applied to Chyna Lane, who appeared in the nominated film "Precious," and several other celebrities, including actress Shannon Elizabeth, booked appointments.

While in L.A. last month, Mousselli also attended the Elton John Oscars Viewing Party, where she and her three stylists, including her daughter, Noor Daoudi, rubbed elbows with A-list celebrities and booked future appointments for lash applications.

Other celebrity clients include Danielle Jonas, who had the lash extensions applied just before her wedding to Jonas Brothers musician Joe Jonas; actress Ashley Greene of "Twilight" fame; supermodel and "Las Vegas" star Molly Sims; and Dylan Lauren, daughter of Ralph Lauren.

"It has truly been a fantastic journey to have started out as a home-based business and end up being invited to these high-profile events in L.A., New York, and even Cannes," Mousselli says.

"Since we are based in Houston and not in New York or L.A., we are not at the doorstep of these celebrities, so we have to go the extra mile to publicize our brand. But I feel like we are really maximizing our potential."

Xtreme Lashes LLC

FOUNDED: September 2005

KEY EXECUTIVE: Jo Mousselli, president and founder

BUSINESS: Offers a semi-permanent eyelash

extension product sold to salons and spas and then is applied by beauty professionals. Also offers consumer beauty products through a separate Web site.

2008 REVENUE: \$5.93 million

2009 REVENUE: \$5.67 million

WEB SITE: www.xtremelashes.com

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