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## MARKETPLACE

### SMALL BUSINESS

HOW I BUILT IT | SY SPERLING

## Hair Club: A Lifeline For the Balding Man

By SARAH E. NEEDLEMAN

Sy Sperling began his business of hair-loss treatment for men in 1969 with \$10,000 borrowed on his credit card.

Mr. Sperling—who turned Hair Club into a household name via TV commercials in which he declared “I’m also a client”—sold the business in 2000 to a private-equity firm for \$45 million. That firm sold it in 2005 to publicly traded Regis Corp. for \$210 million.

Aside from being able to provide a much-needed alternative to the toupee, Mr. Sperling credits much of his success to resourceful advertising: He starred in his own TV commercials, which often aired late at night. Still, Mr. Sperling says he could have been more selective sometimes in picking his franchisees, who were often former clients.

Edited interview excerpts:

**WSJ:** You opened your first hair-restoration salon in 1969. What experience did you have as an entrepreneur?

**Mr. Sperling:** I had no experience at all. I got in the business because of my own personal needs. I had thinning hair and it affected my self esteem. I tried [a natural hair-restoration process called weaving] because I didn’t want to do a toupee. The results were so positive and so life-changing that I knew I

could sell [weaving] to other men who had thinning hair.

**WSJ:** How did you come up with start-up capital?

**Mr. Sperling:** I borrowed everything on my credit card, about \$10,000. I bought a salon that had gone out of business. The chairs were already there.

**WSJ:** You relaunched the business as Hair Club for Men in 1976. What led up to that decision?

**Mr. Sperling:** Ron Blomberg of the New York Yankees became my first celebrity endorsement. I offered him \$5,000 for one year of testimonials. I thought he’d laugh at it but he said OK. I hired a PR firm and told them to promote the heck out of him coming to get his hair done. I got massive coverage. It was an epiphany for my business. At the time, I was just making a living, that’s it. I decided to take the business to another level. I went from a small location in Manhattan to a place around five times [larger]. It was growth, growth, growth from there on in.

**WSJ:** What’s a lesson you learned while building your business?

**Mr. Sperling:** I could’ve been more selective when I sold franchises because I was selling to clients. Most of them succeeded but there were quite a few that didn’t because they probably didn’t have enough business experience. They were enthusiastic and had the ability to sell but getting good managers would’ve been better.

**WSJ:** You sold the business, now known as just Hair Club, in 2000. How come?

**Mr. Sperling:** It was time to smell the roses. I was made a very good offer, enough money to be financially secure for the rest of my life. I’m not a billionaire but I’m extremely comfortable financially.



Sy Sperling: ‘I’m also a client.’