



THE *INS & OUTS* OF RUNNING A DAY SPA

STRATEGIES FOR LONG-TERM SUCCESS

by **Mara Shorr and Jay A. Shorr**



If you are a spa owner, you probably remember experiencing the following thoughts and emotions when you originally opened: First comes the excitement of going out on your own, being your own boss and accomplishing your dream! It's thrilling and nothing compares to it. You *finally* get to spend your days doing what you love!

But if you're like most owners, you soon found out about the laundry list of things no one told you about the BUSINESS of owning a day spa. The reality is that spas continually struggle to course correct what can easily be avoided with the proper systems in place. With that, here is a list of the top things no one told you to do when you are running your own spa.



KEEP RESUMES ON FILE. Always have a bank of resumes for potential new employees. Whether you're looking for a new marketing firm, freelancer, additional esthetician or receptionist, you need to have a file of resumes handy. You never know when you're going to go through a growth spurt — and clients may not settle for having to book appointments a month in advance. You could have a round of turnover if unforeseen circumstances hit, an employee decides not to return from maternity leave or your five-star esthetician moves out of town. Having those resumes ready will save you time on a search.

DEVELOP RELATIONSHIPS WITH YOUR VENDORS. Constantly meet with vendors to learn about new products and training. Make sure you are aware of additions to your favorite skin care line or a new reward system from a massage oil supplier. Keeping that communication line open will serve you well, even though it may seem like a pain to meet with the sales representative.

KEEP DETAILED FINANCIAL RECORDS. Detail all of your financials in your accounting system, not only for tax purposes, but also to examine what your exact expenses and income are, per provider and procedure. Record keeping is key to making sure that you're making smart business moves. It enables you to see, for example, that you're overspending on rush shipping due to improper projections, and makes you aware of the amount you're paying for credit card processing fees. Go into depth when it comes to record keeping — instead of simply categorizing items under "Marketing," have subcategories like printing, website, print advertising, PPC, etc.

DETER DRAMA. Have a system in place to deter drama; it WILL happen. Emphasize the power of teamwork, and make it clear that you WON'T settle for drama in your spa. If you see it occur, nip it in the bud immediately. A negative employee spreads their attitude in a cancerous fashion.

PREVENT THEFT. Connect with a consultant about employee theft prevention for your spa, preferably before you open. Without protective systems in place, theft does happen in the most original of ways. Chances are that you, as the owner, are trusting and don't mean to foster theft. Unfortunately, that often makes it hard for you to predict theft as well, making it a worthy investment to talk with someone who has seen it hundreds of times. Have a camera system installed and keep checks and balances on all deposited cash.

IMPLEMENT PHONE RULES. Invest time in phone training for your receptionist. Instruct them on how to answer the phone, greet clients, answer frequently asked questions and what contact information to collect. It sounds simple, but proper phone training prevents bad habits from previous employers carrying over to your new spa and derailing potential business.

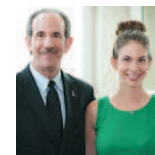
PROVIDE RETAIL TRAINING. Make sure that your staff knows how to sell retail. Every staff member should know the benefits of each product, its cost and any specials you are currently running. Ask your vendor for staff samples and encourage staff to utilize each other's services so they can speak about the benefits. Finally, come up with a sales system and provide sales materials on all products and procedures, and keep your shelves stocked with the appropriate amount of product for your spa.

STRENGTHEN YOUR ONLINE PRESENCE. Ideally, you should have a website ready to go before you even open your door. If you don't already have one, it's time to create one! Work with a website designer to create a website that has both a beautiful design and strong search engine optimization (SEO) goal.

KNOW HOW TO NETWORK. Make sure every member of your staff has business cards to refer clients and patients. In some spas, key staff members, like providers and receptionists, don't have business cards. Giving them something they can easily hand out to friends, family, colleagues and prospects increases their chances of bringing referrals into your spa.

EVERYTHING IS NEGOTIABLE. Everything is negotiable, including employee contracts, the lease, equipment and more. Don't fall into the trap of paying sticker price for anything. Ask for bulk discounts on wax and backbar items, as well as retail, for example. Work out incentive programs with employees in which they may have a lower base salary but a high bonus if they reach a certain sales goal. This allows everyone to succeed. Make sure you know EXACTLY what's included in your lease, and negotiate for everything from available signage to cost per square foot and maintenance. You'll be amazed at what's available to you if you just ask!

CATEGORIZE EMPLOYEES. Define which team members are true employees and which are contractors, and pay them accordingly. How many hours are they in your office each week? Where else are they working? Are they full-time or part-time? All of these elements are important to determine their true status. If you have questions, check with your accountant on the laws in your state. ■



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