

# MODERN SALON

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## SALON LIFE

# FAIR GAME

Want to solve all your nagging management problems? Play fair with simple systems.

BY VICTORIA WURDINGER



**In business, playing fair beats being nice. And you can only be fair with written policies, systems and performance indicators. Sounds complex? It isn't. Systems can be simple and sensible, and they don't have to fill volumes. In fact, they help you work easier, not harder.**

Bryan Durocher of Durocher Enterprises ([www.durocherenterprises.com](http://www.durocherenterprises.com)) in Coral Gables, Florida, is a professional coach whose company helps salon and spa employees

maximize their potential. Since he's a performance-indicator advocate, we set him loose on three common salon management problems—with the caveat that his solutions had to be easy to understand and apply.

First, the prime predicaments. We asked Alison Mehoczky, manager of two Jeffrey LaMorte Salon and Day Spas in suburban Chicago, to name her top three. ▶



### 1. Receptionist turnover.

Because there's no career path, they just don't stay. In the last four months, Mehoczky has hired seven receptionists for the two locations; despite hiring only those who said they would stay for a year, two have left already. Coast to coast, the new approach has been to hire college students. The problem with this solution is that it anticipates turnover.

### 2. Service provider/client interactions gone wrong.

A 45-year-old client doesn't come back to a 21-year-old stylist. It's unclear if inter-generational communication broke down, or if something more subtle occurred. Mehoczky hopes that through training,

she can avoid problems she can't always witness, like the time a stylist did not explain upfront why a color booking-turned-highlighting service now costs more. But how do you anticipate every possible gaffe?

### 3. Staff scheduling.

Saturday off, anyone? Hairdressers choose this career because it offers some flexibility, says salon owner Jeffrey LaMorte, but the only way to avoid doing backbends is to track requests. "When employees see their tardiness, absences and days off in writing, it makes a big difference in how often they make requests," LaMorte says. And his approach is the crux of the way out of all those recurring problems.

## System Solution 1

In many cases, today's problems were caused by yesterday's solutions. Durocher suggests a specific, three-pronged approach that can only get underway once you abandon worn-out ways of looking at the desk.

"The front desk is the lifeblood of your salon, where revenue is generated; view it as valuable enough to pay more than \$7 an hour," says Durocher. "Then, put measurable systems in place that ensure the desk maximizes its potential to generate revenue and support a decent wage."

Focus on retail, referral and pre-booking. First, train your desk personnel so they are familiar with all retail products. Then offer a 5- to 10-percent override on retail as an incentive. (Don't set it up so that receptionists compete with one another or with stylists; the last thing you want to hear is, "That was my sale.")

Split the override among desk personnel as a team. For instance, if you had \$10,000 in retail sales for the month, a 10-percent override represents \$1,000. Divvy up the money fairly, based on hours worked. If you have three desk employees working a total of 125 hours among them, divide 1,000 by 125. The result is eight. Multiply the number >

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of hours each person worked by eight to arrive at their piece of the pie. The person who worked 60 hours gets \$480 (60 x 8); the one who worked 38 hours gets \$304 (38 x 8) and so forth. The more desk employees contribute to retail sales, the more they make.

Next, provide an incentive for pre-booking. To forecast sales correctly, you should pre-book at 75 percent or higher. Durocher recommends that anytime the entire salon is 75-percent pre-booked, you split a \$300 bonus among desk personnel.

Finally, offer an incentive on referral cards. Stylists should pass out at least three cards to loyal clients, but the desk is your safeguard in case someone forgets. Pay an incentive only when 25 or more cards come back. For instance, if 26 new clients come in with referral cards, the desk splits \$1 per card, or \$26.

"These are performance indicators you can measure," says Durocher. "One salon that instituted a retail override saw an 80-percent sales increase the first month the program was put in place, because the desk was motivated.

Desk employees making \$8 an hour can easily increase their incomes by 20 to 30 percent. Now it's no longer a dead-end job with no value."



### System Solution 2

If your employees' technical skills are up to snuff, you can solve any service problem from the get-go by defining your extraordinary client experience, then measuring it.

Break down the service process in detailed steps, from the moment a client enters the door to the time she leaves.

(Spa services will have different components; for instance, steps that address comfort when disrobing.) Define how the client will be treated at

each step and include discussions about being personal versus personable.

"The personal stylist talks about partying; the personable one listens and asks questions that lead to a client-needs analysis," says Durocher. "Clients love to talk about their needs, their hair, their skin, their beauty likes and dislikes. Include retail, referrals and pre-booking components in your process. If stylists follow your steps for the extraordinary experience and include those three components, they won't have time to talk about themselves.

"To address the three components, personalize retail recommendations to what clients say they want. Plant the pre-booking seed, noting that maintaining the style a client likes will require visits every six weeks. Include referral cards by saying: 'I enjoyed your visit and am looking for clients just like you. Will you pass these out to people >

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who like your hair?' Mention that new clients get a gift, and the referring client will get a free retail product once three cards come back."

If service providers follow your system, you now have key performance indicators you can track, measure and share at short, one-on-one, weekly meetings. You can track service sales, retail sales, number of new clients, percentage of pre-bookings, average ticket and chemical service bookings. "Use role-playing to build confidence; teach product education by integrating it into hands-on training," adds Durocher. "Stylists fall asleep when they hear the third shampoo explained. Also, set reasonable goals."

Initially, breaking down services into components and teaching your system will take time, but in the long run, you'll avoid 95 percent of the problems that occur on the floor.

### System Solution 3

LaMorte and Mehoczky have scheduling conflicts nailed. Using request forms for time off gives you indicators you can measure. The records let you focus on fairness and avoid having to explain why someone got a Saturday off—even when you get more than one request for the same day. Set a policy: Whoever asked first or has seniority gets the day off.

"If you disallow time off in November or December, include it in your policies and mention it when you hire," says Durocher. "Decide if you'll allow stylists to swap shifts. When you can show employees their track records in writing, every issue becomes less emotional."

### Playing Fair

LaMorte discovered just how powerful performance indicators can be when a stylist complained about her bookings. Another stylist had gotten two walk-ins while she got one.

"I showed her that her retention rate was 20 percent, which meant she lost eight of 10 clients," recalls LaMorte. "New clients don't mean much without at least a 60-percent retention rate. You have to keep more clients that walk in the door—that's what booked means.

"The situation moved from a stylist complaining and possibly considering quitting to a stylist wondering if she was going to be fired," he says. "We worked it out, and now I don't have many problems in that area."