



Profit Potential

Spa guru Bryan Durocher provides valuable tips for running a financially successful spa.

OWNING A SPA IN THIS CHANGING ECONOMIC climate can be challenging. Because the majority of services offered in this industry are considered a luxury, you must be extremely attentive to all aspects of your business in order to be profitable. Focusing on key elements of operational management, retail sales, and core marketing programs while ensuring the budget and finances are available is absolutely imperative for your spa to be successful.

Select A Stellar Staff

A great spa starts with a great team. Identifying the right candidates to work as service providers within your spa is an integral part of the hiring process. Recruiting new team members is a never-ending process and is one area of operational management that demands constant and consistent attention. Life happens, and service providers come and go. Spa owners should never assume that the amazing staff they have in place today will still be working tomorrow. Keep in mind that as an owner, you are not looking only for a great service provider, but you are also seeking a strong salesperson. Sometimes it is much more valuable to hire a service provider who may lack experience in the treatment room

but comes to the spa with valuable experience and history in sales. If you are able to add a new service provider who is a superior salesperson to the team, the training on your treatment protocols is a small investment in comparison to the return you will gain in retail sales.

There are a few key values to look for when interviewing potential service providers. Those interested in compensation tied directly to their production are ideal. It reflects a genuine understanding of how necessary it is for spa service providers to generate their own clientele and not depend on clients walking through the front door unsolicited. Individuals who are self-starters and act with little or no direction are also imperative to the success of your spa. As an owner, it is wise to seek candidates who recognize that they are responsible for making things happen, networking, and marketing both themselves and the spa. It is a team effort, and it is highly recommended to be extremely clear about this point during the interview process. Also, look for candidates who are theoretical in their approach to working in the spa. Individuals who seek to learn as much as possible about the products and services offered will generally be a dynamic and welcomed

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member of the staff. These individuals usually excel at cross-promoting other services and up-selling clients in a quiet and confident manner. Keeping these points in mind will provide an opportunity as an owner to hire hard and manage easy. Consistently recruiting with these values in mind will offer great rewards in the prosperity of the spa.

Make Training a Priority

Once you've hired strong candidates, having a plan on how you will educate them on the treatment protocols is critical. Assigning a lead service provider to oversee the training and development of new staff is a cost-effective way to accomplish goals. Creating a standardized training protocol is the easiest way to ensure the entire staff is clear on the expectations of the spa. It is wise that for every treatment a new staff member is expected to perform, he or she receives the service once, observes the treatment being given once, and performs the service twice—once on a manager and once on a co-worker. Also, be sure to have evaluation forms for the receiving parties, and include what expectations you have for the service provider so the receiving party knows what to watch for. A proper client greeting, a thorough consultation, and confidence during the treatment are a few key points of which to be aware.

A clear training program for the introduction of the product lines to new staff members must be created and must also be standardized so that each member of your team is on the same page. Turning to your product representatives is only one way to achieve superior results. Keep in mind, though, that product representatives are only responsible for product education, not retail sales training. It is in the best interest of your business to have additional basic retail sales training. A simple, easy-to-follow script for your staff about how to recommend a product, how to pre-close clients while they are performing services, and steps to take during the consultation will help build new staff members' confidence and, ultimately, increase their sales. Requiring the staff to practice these techniques with one another through role playing is one tool successful spas implement. Role playing provides opportunities for staff members to practice overcoming objections and selling to different client personalities. It also allows for service providers to get over any fears they may have of selling.

Make Marketing Work For You

When it comes to marketing, many spa owners are behind the eight ball without even realizing it when it comes to both planning and budgets.

Planning your year in advance is absolutely imperative to successfully maximizing all opportunities available. Not only is it a must for the staff to be aware of what events and specials are going to be offered at different times of the year, but it is also a game of budgeting properly to ensure that funds and resources are available. A general rule to follow is that 4 percent of your gross service profit should be allotted to marketing. This means that 4 percent is available for the entire year.

Many successful spas spend more at certain times of the year and scale back at others. Although this is wise, proper planning is imperative so the budget holds steady for the year. Keep in mind that the overall number spent at the end of the year is what matters in the end. Planning for the entire year will prevent mishaps and overages in spending. Holding back a small portion allows for an event to be added on. However, that practice should be the exception, not the rule.

Know Your Numbers

All of the above practices and actions relate to numbers. All savvy owners need to know their numbers. With payroll costs 20 to 30 percent higher than that of other industries, line items such as compensation, professional product costs, and retail need to be watched with an eagle eye. One small misstep can lead to being in the red. Many owners are busy working with clients throughout the day and do not spend enough time analyzing the facts and figures. If this is not your strength, work with a solid bookkeeper, accountant, or business advisor who can help you dissect the numbers and keep your spa on track. Monthly income statement reviews are a must. The moral of the story is simple. Create systems and structures and always plan ahead. That is the key to owning a profitable spa.—Bryan Durocher

Bryan Durocher is the founder of Durocher Enterprises, a company that provides coaching, consulting, info on global industry trends, and marketing solutions for spas, medical spas, and industry professionals worldwide. For more information, visit www.durocherenterprises.com.

Your Profitable American Spa

Bryan Durocher will be hosting *Your Profitable American Spa*, a full-day advanced education workshop, at the International Esthetics, Cosmetics & Spa Conference (IECSC) in Las Vegas on June 28 from 9 A.M. to 5 P.M. This seminar will provide practical information and proven techniques for spa owners and managers looking to boost their bottom line. For more information, visit www.iecsc.com.

