



PRESENTATION

HOW TO MAKE PROFIT IN YOUR SALON EVERYDAY

The following presentation was created by Ego Iwegbu-Daley and presented by Bethany McBrearty as a Masterclass at Professional Beauty Manchester October 2010. It should be read along with the slide show, which is also available to download for free at www.misssalon.com.

If you have any questions or would like to talk about your salon business please contact Bethany directly at Bethany@misssalon.com

Miss Salon™ is here to help!

INTRO SLIDE 1

Hello!

My name is Bethany McBrearty and I am the Marketing Executive for Miss Salon™. This is my Colleague Margaret Mensah who is a Beauty NVQ Lecturer and business partner to Ego Iwegbu-Daley, CEO of Miss Salon™.

All 3 of us have either previously owned salons or managed a number of them and are therefore experienced from all angles within this subject. From Ego's experience, she created a book to help struggling salons along the road to success.

(Read more about us here www.missalon.com/aboutus.html)

SLIDE 2

I am here today to inspire you into bring your SALON into PROFIT the *RIGHT WAY!*

SLIDE 3

The 'Kick Start your Salon into Profit' booklet has 10 steps...

(Read the steps)

SLIDE 4

Some points may seem obvious, others not. I have therefore consolidated these into 4 KEY AREAS to Profitability:

SLIDE 5

So Key Area number 1 is **MARKETING!**

How many of you think marketing is advertising? Printing a few leaflets, putting an ad in the local paper? Both of which, most of the time, are a monumental waste of time and money. A mistake I've made before!

Marketing is the be all and end all of your business. If you don't know what it is and don't have a strategy you are probably loosing 100's of 1000's of pounds a year.

So what is MARKETING? Marketing in layman's terms is ...

ALL things that help a client choose YOU in the first place and remain loyal to YOUR Salon.

So, how are we going to ensure we achieve this outcome?

By THINKING STRATEGICALLY!!!!...

Being strategic means identifying your salons long-term aims and the ways to achieve them.

There is a tendency to believe that your salon is for EVERYONE but realistically, Not EVERYONE will or can come to your salon.

SO, work out who IS and WHY they will?

Are you going for the Katie Price type client (hair extensions, nail extensions, lash extensions, Botox, fake tan, Fillers... a generally bold and extrovert look), or the Liz Hurley type client (manicure, pedicure, well-cut soft curl blow-dry, subtle lash extensions; a generally sophisticated, subtle chic look)?

Deciding this is a major part of your marketing strategy. You are establishing WHO you are aiming your chosen market at!

From this decision – everything else follows if a STRATEGY is applied.

You will know what treatments you want, what look you want to achieve and what atmosphere. From this info, you will also know whether you will stock a £70 moisturiser and sell it easily, or a rather go for £2.99 lip gloss – which is cheaper but has potentially a high profit margin?

Are you going to offer gorgeous, bold, thick lashes and acrylic nails in your 'Liz Hurley' salon in Knightsbridge, or would that be more suited for a 'Katie Price' salon. The importance in identifying your market cannot be underestimated and the vital thing to remember is you CANNOT appeal to everyone. Choose your market, target it and stick to it.

An effective marketing strategy is about packaging your entire salon to appeal to your target market. When you get this right your market will choose you. It makes choosing you EASY!

SLIDE 6

Key area number 2 is about **STREAMLINING YOUR SALON PROCESSES**

From your chosen and well-researched market, you now need to streamline.

EVERYTHING must work effectively.

By everything, I don't just mean your tanning booth...

EVERYONE must know their job role, where to do it, what to do and how to handle products.

And the MONEY MAKING WORK STATIONS (MMS), from a profitability point of view, are the start and finish of any treatment. These stations must be properly stocked, and re stocked, regularly. I know this all sounds obvious but the reality can often be quite different.

If a therapist is getting up to fetch cotton wool or a towel etc, times that 30 seconds by the week, then times it by the month, and by the year... it's a scary and unnecessary WASTE of time.

(One of Ego's experiences in her first salon... the stations were just 'cleaned' but not checked for content completeness or function. Ego spent a few hours watching the staff at work and discovered that they were spending an average of 45 minutes a day looking for stuff! For example, a client is in front of them and only then is it discovered that the resin nozzle for nail tip application is blocked with old resin and they need a new one... up she gets. Another example is opening the tip box and discovering that there are only 3 size 5 tips left and a refill pack is needed... up she gets! This 'faffing' totalled 45 minutes a day per staff member, which is equivalent to £30 per day for all 6 staff plus the cost of the lost business (not being able to service another customer because of lack of time)... Calculate this through a year and you'll be able to pay someone's wages! This alone could be the difference between profit or loss.

Staff participation – your staff need to understand from a business point of view how things work. To them 30 seconds of time wasting is nothing, to you its potential money down the drain. Involve them. Knowledge is KEY.

Stock control: This isn't just about theft but more about wastage. Observe your therapists. Are they doing unnecessary steps to cause wastage? How about the famous trick of wiping nail polish, which they have carefully removed from their clients cuticle (with their FINGER), onto a towel???? Investing in good nail wipes as opposed to cheap ones means you can use the same wipe for virtually the whole treatment. That's 1-2 wipes per client instead of 5-10.

Also choose the RIGHT stock. In some cases there is no need to purchase expensive consumables. Shop around for suppliers. Control what is used without compromising the quality of the treatment!

SLIDE 7

Key area number 3 is **RETAILING!**

I know what you're thinking here. Of course one of the tips would be to Retail. EVERYONE SAYS THAT.

Sure they do – because 'they're' right.

NOTHING makes more money in a salon like selling products. However, if we go back to marketing – make it the RIGHT product.

Who says because you have a salon you have to sell 'beauty/hair' products?

You treat parts of the body – therefore, how else can you compliment your salon? What about cocktail rings on your manicure stands?

Remember I said I would later refer to these as MMS – they are. You have a client, sitting with you, for an average of 30 minutes. That's 30 minutes to stare at products.

How about retailing slippers for after pedicures? How often do people come for a Pedi but as it's winter, they don't bring open toe shoes? Offer them slippers and they can keep them at home too.

WE NEED TO THINK OUT OF THE BOX!!!! You have space. Space to display, space to advertise and offer. Create a shopping area for your clients.

What is the other age-old problem? You have given your girls incentives (as in commission) but they just won't sell?

OK this is a very common issue – but you can make it easier by creating the right environment. All it takes is ONE question from the client and you'll 90% get a sale that day or if not, the following treatment.

So how do you do this?

Pave the way for your therapists.

Don't make your products 'museum like'. Make them accessible. In view, with CLEAR prices. If you went into boots and had to ask every time about a shampoo you wanted to look at, and then after that, have to ASK for the price... how often would you do it? You have the freedom to touch, to sample (via the in-store testers!), to read and above all to CHECK THE PRICE before you even think of

taking it to the till. If clients feel pestered or embarrassed it's not going to happen. At the end of the day, YOU are the professional. YOU know that that shampoo or that moisturiser is fantastic. So allow your client to read, check the price whether she picks it up and obviously checks, or glances at the plaque stating £29.99 – give her the freedom. She wants to buy. She wants her hair or nails to be divine. But she wants to decide. Set up the path and seal the deal at the end of it via your therapists who are OF COURSE very well educated in each product. Make no mistake that a lack of confidence and knowledge at this stage could cripple the sale...

SLIDE 8

Lastly we come to key area number 4, which is **CONTROLLING YOUR COSTS**.

You HAVE to know what you are spending and to set yourself a budget.

If you don't - you'll be faced with a disorganised and unsure reality. You need to know what is going out and what NEEDS to go in to establish those outgoings.

Again, research your suppliers – can you get a better deal? What about postage. Do you wait until you run out of things individually? Total up individual postage...

Control waste. Once again, if your therapists understand WHY they must be careful, they may take it more seriously. Put them in the thought that one day, they may have their own salon – it is practice. Unnecessary waste can cost a LOT of money in the long run.

Finally, staff turn over is expensive. It not only gives the complete wrong impression to your clients, but it costs in terms of training and uniforms etc. Find out WHY you are losing staff. Are you or your manager unpleasant and harsh in an unnecessary way? Are your wages not acceptable for the going rate? What about inspiration? Try not to give your therapists the same treatments one after the other. Give them a variety as much as possible so they don't become discouraged and bored. If they only do nails, make sure they are happy with everything and are on an acceptable wage. Add nail art to your stands. You are adding a service and creating variety for your nail techs. You want to find a balance between compromise and respect from either side. You WANT to keep your staff.

Profit in a salon means it has been all worth while.

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Thank you for listening. If you have any questions, I will be around for the next hour or two.

Ego's book, which is based on the 4 key steps I have discussed, is available for £9.99 today only, or online from £15.

SLIDE 10

Lastly, if you want any more information – all of our contact details are on our website: www.missalon.com