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CIDESCO INTERNATIONAL

GUIDE TO SETTING UP A

BEAUTY SALON



Setting up your own salon is a dream of many therapists and entrepreneurs. When trade publication, Professional Beauty magazine asked Beauty Therapists ‘what is your ultimate goal as a Beauty Therapist?’, 40% said it was ‘**to open my own salon.**’

Running your own beauty salon business can be rewarding in many ways but making it a success can be a challenge and fraught with obstacles. It’s not all about beauty, as **business skills are essential.** We’ve gathered together advice from some of CIDESCO’s most successful business owners around the world to give you a head start.

CHOOSE YOUR LOCATION WELL

The right location can be the ‘make or break’ of a salon business so it pays to give yourself every chance of success by finding a location which gives you the best start.

Find a **location** which you are familiar with, has **good footfall and passing traffic** which is **easily accessible** and offers **car parking** close by. Ideally there should be **other retail businesses** nearby which can help generate business for you. As well as high street locations, consider shopping centres and also ground floors of large office blocks in city locations as long as they have good weekend traffic.

Choose a property which offers **natural light and has a good ambience**. Whether you believe in ‘feng shui’ or not, certain buildings due to their aspect and build have a tendency to be more uplifting for their inhabitants than others.

Make sure the space is the **right size**. This will depend on how many treatment rooms you are planning, reception, retail, storage and staff facilities.

If the building hasn’t been used as a salon before, carefully consider the modifications you are going to have to make eg: **Water, ventilation, electrics and lighting**, what’s possible under ownership/lease of the property and the costs thereof.

DEVELOP YOUR SALON BRAND

Developing a strong salon brand gives your business a much greater chance of success. Don't underestimate the power of the brand. This is the face that your business presents to the world, to guide people's perception of your business and influence them to visit and recommend you.

To develop your brand, first you need a **clear vision** of what you want your business to be. **What do you want people to be saying** about your business? Define the messages and be consistent with your communication of them.

What do you want people to feel? Brands are emotive so give your brand a personality. If it was a person what sort of person would that be? Are you influenced by a particular culture? How will your brand make the world a better place?

Define your brand to stand out from the competition. Make sure it has some notable **unique selling points**. Having a strong point of difference in the market will give people a greater reason to visit and recommend you.

From your brand messaging, develop an **attractive brand design and identity** which can be used across all your marketing collateral including social media platforms.



BEWARE OF LEGISLATIONS

In addition to qualifications, licences and insurance needed for the various treatments you will be offering, there are also other rules and regulations which apply to beauty salon businesses to ensure health and safety, responsible business practices and compliance with the law.

Contact your **local authority** and ask them to provide with a list of the regulations which apply to beauty salon businesses. If you are planning a refit of the premises then find out if **planning permission** is required. Requirements change frequently so put a system in place to re-evaluate every 6 months.

*“Salon owners are responsible for the **health and safety** of their staff and clients, so ensure you have vigorous hygiene standards and a code of practice in place which every staff member is familiar with. Employees must follow basic practices when it comes to cleaning equipment, floors and washing hands.”*

Dr Vera Zec, chairperson, CIDESCO Section Serbia

Some chemicals used in beauty salons are hazardous and have to be disposed of very carefully. Ensure all staff clear up any spills immediately and check with your local authority on the **protocol required for disposing of hazardous materials**.

HIRE THE BEST EMPLOYEES

One of the most challenging aspects of starting your own beauty salon business is finding the right staff. Their skills will affect every aspect of your business so it is critical to recruit carefully. This is made all the more difficult because on a worldwide basis there is a genuine skills shortage and good therapists are greatly in demand.

Here are five ways to ensure you attract the best employees:

1. Have a strong brand. If you have a **good reputation and image**, then not only will this attract customers but it will also attract good staff.
2. Make your first staff recruitment **ambassadors**. Encourage them to talk about your business to their friends and contacts and offer an incentive scheme to help you attract new employees.
3. **Introduce yourself to local colleges** and training academies offering work experience. Put yourself forward for **talks and conferences**. Attend the **career expos**. Many of the independent training academies have new students graduating every month so make sure you're registered with them.
4. Create an **attractive package**. While salary is important, many job decisions are affected by other elements such as prospects, flexibility and added value. Stand out from other salons by creating an exclusive package which will appeal to the types of people you are looking to recruit.
5. Develop an **ongoing recruitment campaign** across your social media platforms, website, blog and other marketing channels.



*“A **very well trained, knowledgeable and efficient** therapist can be key to success of a salon. Excellent diagnosis followed by a proper treatment plan is required for the best results.*

*“A **welcoming approach** towards the client, patience, concern and a feeling of wellbeing for others are equally important. The client will feel the confidence, assurance, positivity, and 'good feel' aspect through their touch.*

*Periodical **upgrading programmes** for staff are required. Normally, unless special advice is required, the therapist not only performs the treatments but plays the role of a counsellor while guiding clients on other related aspects such as, diet, exercise, sleep, stress relief, home care, etc. which in turn enhance the effects of treatments.”*

Jyotsna Thopte, CIDESCO Examiner, India



EXCELLENT CUSTOMER SERVICE

Once you've created a salon environment which will appeal to your clients, you need to ensure this is followed through with excellent customer service. This is what encourages clients to return to you and spread positive word-of-mouth to their friends, family and colleagues.

Good training forms the basis of any customer service strategy and should be offered to your staff throughout their career with you. Make the most of the training your product houses offer and help your staff progress in other areas of the business such as management and marketing support, allowing you to focus on taking the business forward. Have ongoing team meetings with your staff and show them how to do it by example.

Lydia Sarfati, founder & CEO of Repêchage says:

*“The front desk staff give off the **first impression** when a client walks in the door. Thus, it is important they know how to **greet clients, understand the treatments** that are offered, and **suggest appropriate upgrades** when booking appointments. Routinely providing the entire staff with training, demonstrations, and allowing them to be hands-on during this process, will not only help the staff grow as professionals, but will help your salon grow as an industry leader. Incorporating this type of inclusive training into your salon, will also allow the relationships amongst the staff to grow, ultimately increasing the morale and productivity of your salon.”*

PUT SYSTEMS IN PLACE

Systems and processes are the backbone to a successful business delivering results to your bottom line, even when you're not around. They free up essential time and can be adopted easily by your employees.

Systemise as much as you can, testing and reviewing to check that each one works for your business. This includes:

- **Business planning** – it's important to know where you are and where you plan to get to within a certain time period. Allocating **dates and KPI's** each step of the way will make your goals more achievable.
- **Staff Rotas and induction/training processes** - choose a programme which simplifies the **staff rota** and enables you to diarise training days and appraisals.
- **Bookings** – an efficient **booking system** is essential and many salon businesses now have live **online booking services** to capture bookings 24 hours a day.
- **Stock Control** – real time visibility of your **stock levels** is important. Have processes in place for receiving and deleting stock quantities.
- **Accounts** – there are a number of excellent IT accounts systems which enable you to **budget and forecast**, pay suppliers and handle payments.
- **Marketing** – systems have radicalised the marketing function of all businesses. From email and SMS activities to **loyalty campaigns** and **recruitment drives**, automated marketing ensures your business is communicating with current and prospective clients ongoing. **Capture data** on your clients at every opportunity and use this to tailor your marketing to them.



“My managers and I have open communication and meetings with employees, weekly and monthly, to **keep them engaged and informed** of any changes, concerns, accomplishments, etc. This format keeps all staff on the same page and leaves less opportunity for hearsay. They feel they're part of the company, they have a voice and I want to hear what they have to say.”

“Communication is key.”

Chris Damolaris

Board member, Cosmetologists Chicago, USA

Owner, *Frank Gironda Salon & Spa*



ALLOCATE BUDGET TO MARKETING

It's no good having a beautiful salon if no one knows about it. No matter how great your treatments and service are, if you don't market your business, you will struggle. Therefore allow sufficient budget in your business plan for planned marketing activities throughout the year.

Marketing covers a wide range of tactics including **advertising, direct sales, public relations, social media and partnerships** amongst many others. As a new business, try to find creative, low cost ways of reaching your customers.

1. Get involved in your **local community**. Find out who runs your local Mothers groups and teacher parent associations. Provide pop-up salon experiences and treatment prizes for events and fundraisers. Ask local cafes, libraries, community halls to take your flyers. Make an exclusive offer to the staff of businesses in the area.
2. Set up and post on your **social media sites**. Connect with other local businesses and form an online community. Success comes with engaging with your followers so remember to give them helpful information rather than simply trying to sell your services. Encourage your customers to post a selfie of them at your salon with your company hashtag
3. Introduce **exciting new treatments** which aren't available nearby and invite a journalist from your local newspaper or magazine to **review**.
4. **Boost your online reviews**. The majority of customers seek out online reviews so encourage your happy customers to post theirs.
5. Introduce **beauty tutorial videos** on your website. Become your own **beauty blogger** with 'how to' videos introducing prospective clients to your treatments and product lines.

WORK 'ON' THE BUSINESS

Most successful salon owners will tell you that a lot of their time is spent working on the business. You are the visionary, in charge of the bigger picture when it comes to business development and it's difficult to achieve this if you are too involved in the day to day operations.

When you first start your business you might find that you're working across every aspect of the business, from therapist to receptionist to purchaser and manager. In the early days this might be necessary but while you're doing this it's difficult for you to **become an effective leader**. Your business has a greater chance of growth when you **play to your strengths**, setting goals and planning for the future.

Learn to delegate to your employees, identifying those who are better at doing certain tasks than you are. The longer you spend time on these areas, the less opportunities you will have for growing your business.

With clear systems and structures in place along with the right staff, your **business productivity** and profit is certain to increase.



MONITOR CASH FLOW

Cash flow, the money that comes in and goes out of the business, is the lifeline of your salon so it's important to monitor your figures daily.

When running a salon, you are looking to have more money coming in than going out daily. Not having enough to pay your daily expenses could result in the business failing which can happen to even the most profitable of companies. The solution is to **anticipate the business demands** by drafting a **cash flow projection**. This will identify any short falls in cash you might encounter and enable you to prepare for these occasions.

- Make a **list of every expenditure** you are expecting over the year along with potential income on a month-by-month basis.
- Stay on top of your invoicing and ensure that your **debtors pay promptly** or even in advance. Look at ways of encouraging clients to pay up front for certain treatments, create packages for up-front payment, or join your loyalty membership scheme which gives them a number of benefits in return for advanced payment.
- Set up **credit facilities** before you need it and lease expensive equipment rather than purchase.
- **Evaluate your expenses** on a regular basis, only spending when you consider the purchase to be moving your business forward.

Remember that **cash flow is driven by client retention, employee retention and retail sales** so make sure you have strategies in place to ensure these elements of the business are working successfully.





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