

Salon and Spa Owners Guide to Predictable Success

PART TWO

Fun With Finances



empowering you*

“Success seems to be connected with action. Successful people keep moving. They make mistakes but don’t quit.”
- Conrad Hilton

Let's talk about money!

Math is money and money is fun.

In the beauty industry there are four main reasons businesses don't turn a profit:

1. Prices are too low
2. Productivity is too low
3. Commissions are too high
4. These businesses don't sell retail

Which one are you guilty of? _____

This is where finances come in. I know so many salon and spa owners, and nearly all start to grumble and groan until I open their eyes to why finances play such a key role in business. After we work together, my clients start to love budgets. **Knowing your numbers will help guide you into making super savvy personal and business decisions.**

Let's start by uncovering a bit about your relationship with money:

- What do you value around finances?

- What is your relationship to money? Empowering or disempowering?

- What scares you about finances?

- Do you save at least 20% of your income?

Yes

No

Now let's take a look at how your business handles money. As you start answering these questions, it will reveal a ton about your finances.

• How much income is coming into your business each month? \$ _____

• How much are you spending on expenses? \$ _____

• How much of your revenue goes to paying debt? \$ _____

• Do you have an emergency cash fund? (minimum of 3 months expenses)

• Where do you need to cut back and trim the fat in your business?

• Which area of your finances overwhelm you or confuse you?

• Are you willing to play an active role where the money is going and coming?
 Yes No

If you want to have profits, then you need to track all money in and all money out. Weekly, monthly, and annually!

“What got you here...won't get you there.”
- Marshall Goldsmith

COACHING YOUR TEAM ON THE NUMBERS

When it comes to numbers and maximizing profit, it's important that your team is on board. Running a salon or spa is not something you can do alone.

So let's examine your how your team supports your numbers:

- What do you need each service provider to produce in service and retail sales to pay your bills and have profit?

- What percent of rebooking do you want for your company? _____ %
And each team member? _____ %

- What is your current average ticket? \$ _____

- What does it need to be at? \$ _____

- How about each technician's average ticket? \$ _____

- Is everyone on board with the company goals? Yes No

- Individual goals? Yes No

- Have those goals been clearly communicated? Yes No

- What actions do you need to take on so your team will focus on their numbers and hitting their goals?

NEXT STEPS

Ready to start taking control of your numbers?

Take some time and work on the following:

1. Create a personal budget and a business budget.
2. Start to track all the money in and all the money out for both budgets.
3. Take time in your schedule to coach your team on their goals and your expectations. Make sure to give them incentives to hit their goals.
4. What fun things can you implement in your business to support your team in hitting the results that you need from them.
5. What tracking form will you be using to track your team's results?

CHECK OUT THE SUCCESS KIT FOR INDUSTRY

If you are struggling with any of these, you can check out our [Success Kit for Industry](#). We created this kit for the same reason we created this 3-part video series – to make implementing systems in your business effortlessly.

[Success Kit for Industry](#) has over 175 business tools to help salon and spa owners create a business of their dreams... from finances to daily checklists for your managers to how to seamlessly on-board a new hire. Seriously, it has everything you need.

[CLICK HERE TO LEARN MORE ABOUT THE SUCCESS KIT](#)

Don't forget to watch the last video in this series on recruiting.

Know someone who would benefit from this series? Share it now!

Congratulations again on committing to working on your numbers.

~Amy



TOOL

INCOME VERSUS EXPENSE

Where Does The Money Go?

Sales:	\$ _____	Dues & Subscriptions	\$ _____
Service	\$ _____	Education	\$ _____
Retail	\$ _____	Equip Rental	\$ _____
Total Service & Retail	\$ _____	Business Insurance	\$ _____
Rent income	\$ _____	Health Insurance	\$ _____
Boutique/gifts/jewelry etc	\$ _____	Workers Comp	\$ _____
Gift Certificate Sold	\$ _____	Licenses and Permits	\$ _____
Other	\$ _____	Loans and Interest	\$ _____
Total Sales	\$ _____	Meals, Entertainment, Travel	\$ _____
		Office Supplies	\$ _____
Direct Expenses:	\$ _____	Payroll HOURLY [IND. 8%]	\$ _____
Service Payroll [IND. 45%]	\$ _____	Payroll OWNER	\$ _____
Retail Commission [IND. 10%]	\$ _____	Payroll Tax [IND. 12.5%]	\$ _____
Payroll Tax [IND. 12.5%]	\$ _____	Payroll Processing	\$ _____
Retail Supplies [IND. 50%]	\$ _____	IRA-Investments	\$ _____
Sales Tax	\$ _____	Postage & Delivery	\$ _____
Back Bar Supplies [IND. 7%]	\$ _____	Printing	\$ _____
GC Redeemed	\$ _____	Taxes (real estate, etc.)	\$ _____
CC Processing [IND. 1.7%]	\$ _____	Rent/Cam [IND. 7%]	\$ _____
Other	\$ _____	Repairs & Maintenance	\$ _____
Other	\$ _____	Telephone	\$ _____
Total Cost of Sales	\$ _____	Utilities	\$ _____
		Security	\$ _____
Gross Profit	\$ _____	Contribution	\$ _____
		Misc	\$ _____
InDirect Expenses	\$ _____	Operating Exp	\$ _____
Accounting and Legal	\$ _____	Total Expenses	\$ _____
Advertising and Promotions	\$ _____	Total Direct and	\$ _____
Bank Fee	\$ _____	InDirect Expenses	\$ _____
Cleaning/Janitorial	\$ _____	Net Profit	\$ _____
		Total Net Profit:	\$ _____