

# Creating A Spa Business Plan



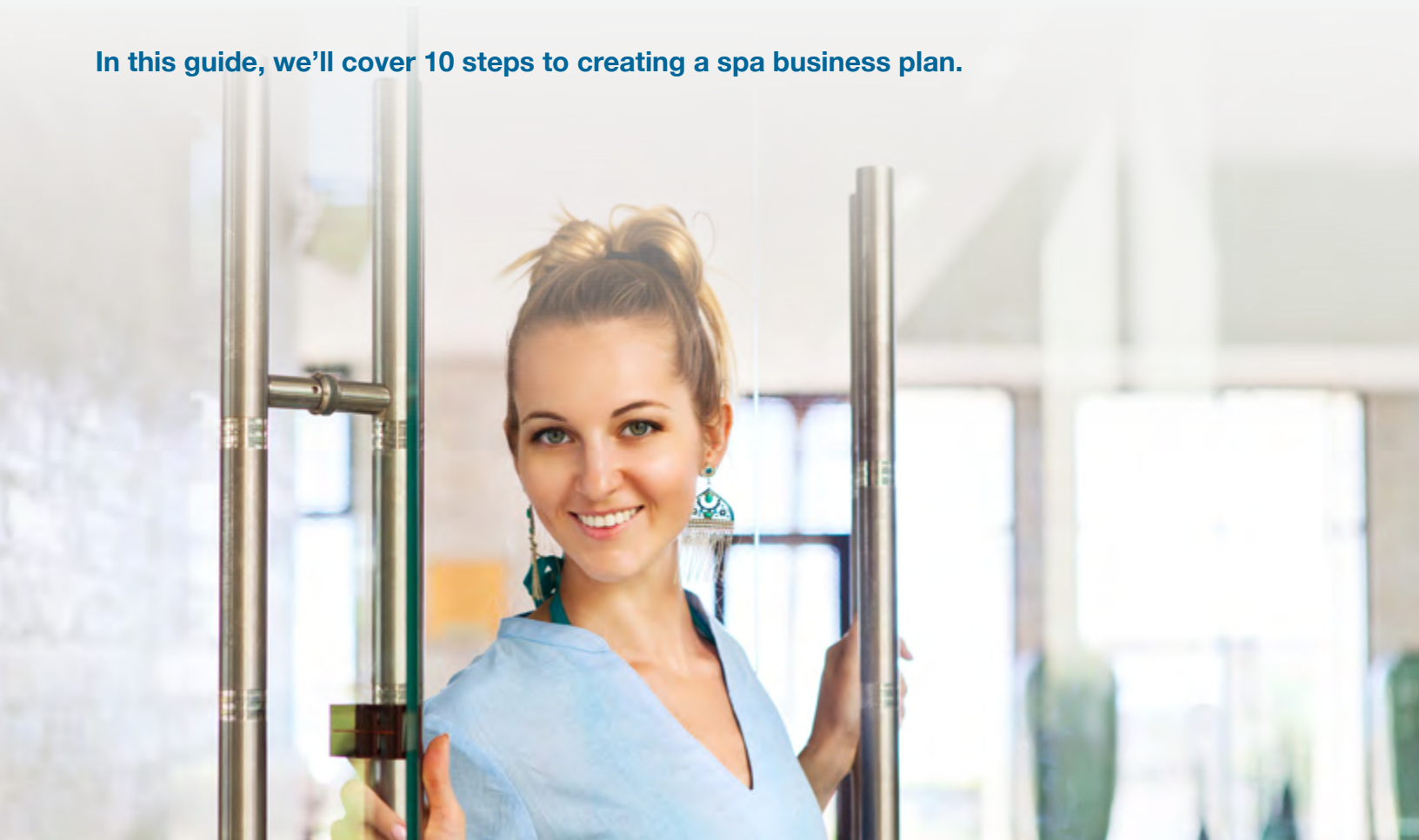
# Creating a Spa Business Plan

What inspired the decision to open your own spa? Did you tap into your entrepreneurial spirit and see an opportunity for a lifestyle change? Or have you worked as a licensed esthetician or massage therapist and want to be your own boss?


Whatever the motivation, you have the dream and the drive to run a business. Now all you need is a little information to help you develop the spa business plan you'll need to turn your dreams into a reality.

Not only does a concise business plan give your spa a clear roadmap to success, it's necessary if you plan to obtain funding from banks or to recruit partners.

**In this guide, we'll cover 10 steps to creating a spa business plan.**



# Step 1: Describe Your Company



This first section of your spa business plan should cover the basics about your company, its mission and operational philosophies. Include your company name, address and contact information, as well as your business structure (sole proprietorship, Limited Liability Company (LLC, etc.). State the purpose of your organization and describe your customer service philosophy.

## Step 2: Plan Your Finances

According to the Small Business Administration, about half of all new establishments survive five years or more and about a third survive 10 years or more. In many instances, a business's failure to survive is due to poor planning and lack of funds to sustain it through its first few years of operation.

That's why you must know how much money you need to get started, where it will be coming from, what you will be spending it on, and how long it will take you to earn it back.

Make sure to include projected financial statements spanning at least three years, or until you estimate the business will be cash flow positive.

Include all expected startup expenses based on your spa experience and list potential sources of initial funding. Estimate how many customers you will serve and how quickly your client base will grow, then base your revenue and direct cost estimates on those numbers.

### Here are some other things to consider:

- Calculate your monthly expenses, including rent, licensing, training, payroll, supplies and an emergency fund.
- Calculate how much of a cushion you have in savings and how much you absolutely must make each month to stay in business.
- Figure out how much you'll charge for services. To do this, estimate how many services (such as, massage, facial, etc.) you might perform in a week and figure out how much you'll need to charge in order for you to make a net profit. Try using a price point that is both fair for your clients and prosperous for you.
- Consult a certified public accountant (CPA) to help you estimate your taxes.

You can check out this [business start-up cost calculator](#) for a list of other items you may want to include in your financial summary.



# Step 3: Define Your Target Market

Your target market is a description of who's going to buy your services. In this section, try to be as specific as possible. If you define your target market too broadly in the hopes of appealing to more potential clients, you can run the risk of diluting the uniqueness of your services and branding that set you apart from your competitors.

**Here are some questions you can answer that will help you hone in on your target market:**

1. Are your target clients primarily male or female?
2. How old are your target clients? Are they moms, dads, singles, teens or grandparents?
3. Where do they live?
4. Is geography a factor?
5. What do your target clients do for a living?
6. How much money do they make? (This can be an important factor that weighs into your assessment of what the clientele in your area can afford and will determine the prices you set for your services.)
7. Is the community where you're locating your spa affluent? Middle class? Blue collar?
8. What other aspects of their lives could impact your business?
9. Does all of this coincide with the services you plan to offer?



# Step 4: Location and Licensing

**Location is critical to the success of your spa. Consider these factors:**

- **Look for a high-traffic area.** Busy streets, malls or spaces next to locations people visit often are ideal.
- **Make access easy.** If parking is a hassle and traffic is thick on the way to your spa, people might not consider it worth the effort.
- **Locate far from the competition.** If you establish your spa directly next to another spa, you'll cancel each other out. Try to find a place where you'll be the only spa for a few miles.
- **Take care of any licensing.** While you're focused on creating your spa business plan, you need to assume that you'll secure the funds you need to eventually open the doors to your very own clientele. It pays to plan ahead – and think positively! That's why you need to do some additional paperwork.
- **Obtain a business license.** All businesses in the U.S. must be licensed. Check out the Small Business Administration website for more help.
- **Learn employee licensing rules.** In the United States, all of your service providers will require the requisite licensing for their area of expertise. Rules vary by state; so contact your local Division of Occupational and Professional Licensing to find out what their requirements are.
- **Research health inspection regulations.** Make sure your spa is sanitary and follows the guidelines laid out by your state.



# Step 5: Create a Marketing Plan and an Initial Marketing Budget

Describing how you intend to effectively [market your spa](#) is a crucial part of your spa business plan. In fact, the marketing blueprint you develop now will help you achieve your business goals.

In this section, outline all the methods and outlets you plan to use to promote your spa – [email marketing](#); your website; social networks like Facebook, Twitter, Pinterest, and Instagram; and directory sites like Yelp and MapQuest. Research whether local newspapers, radio stations or community magazines would effectively promote your services. Assess whether or not to offer [membership](#) and [loyalty programs](#).

Choose a spa management software to keep track of your money and growth. You'll want to implement a spa management software that can help your customers book appointments online through your website or mobile device as well as from local directories like Yelp. Your spa management software should give you all the tools you need to manage your business's bookings, marketing, POS (Point of Sale), inventory, eCommerce, customer records, employee schedules, and reporting.





# Step 6: Planning the Menu

Now it's time to decide what's on the menu – literally. What services do you intend to offer to your customers? And how are they different than the ones offered by your competition? Here's where you will discuss how many varieties of massage and facial services you plan to offer. Will you include body treatments, make-up, nails, waxing and other beauty services? Do you plan to offer medical spa services?

It's not only important to define the services you plan to offer, but you should map out how you plan to bundle or package these services as well. For example, will you offer couples packages, bridal packages, and/or a suite of different gift packages?

Make sure you have the right equipment to support these services. For example, if you plan to offer variety microdermabrasion facials, make sure the machine you purchase can support those services— and don't forget to include these capital investments in your financial planning.

This section of your spa business plan should also include customer service aspects such as how the customer experience in your spa will differ from that of your competitors.





# Step 7: Identify Your Management Team



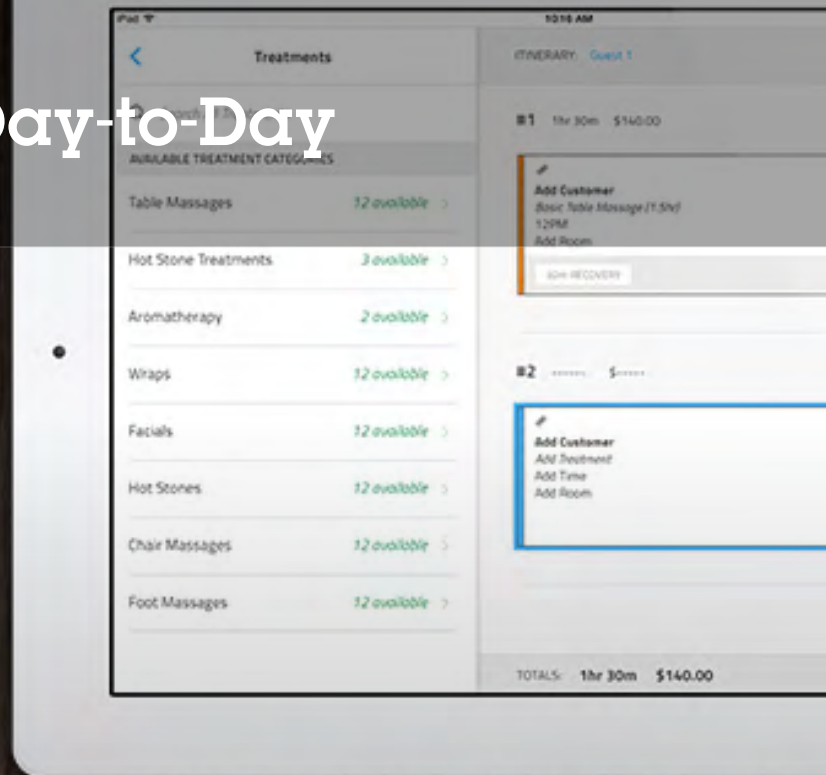
Successful spas rely on the skill, experience and reputation of the owner and staff. In this section of your spa business plan, identify your service providers (therapists, estheticians, make-up artists, etc.) and describe the scope and depth of their expertise.

Include a brief, professional biography highlighting you and your staff's experience and qualifications. Include their names, job duties and details about their skills or training. This includes each of their licensing information, years of experience and areas of expertise. For other staff such as receptionists, you can include information about customer service experience.

In addition, you may also want to include bios of any co-founders or investors with a management stake in the company.

## Step 8: Outline the Day-to-Day

One of the crucial aspects of building a successful spa is the support you'll need to run your new business day-to-day. Outline in your spa business plan a list of the day-to-day activities needed to market, open, manage, provide services and close the spa. Indicate who on your team is responsible for each activity.

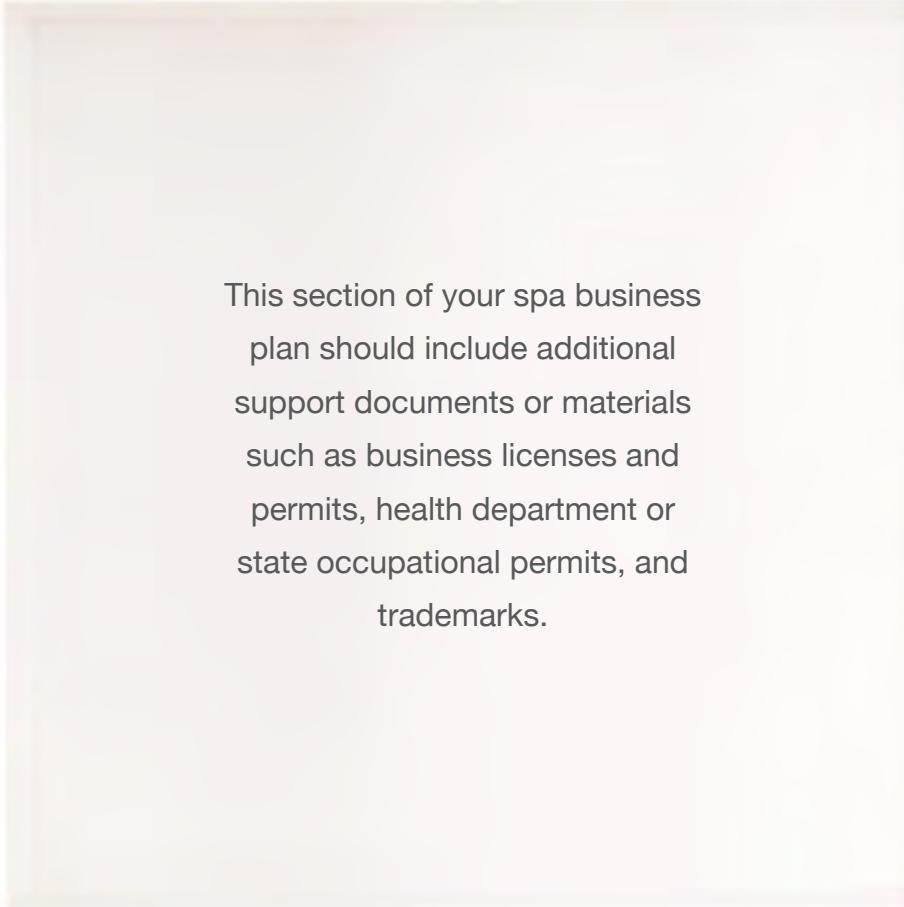


### Here are a few examples to get you started:

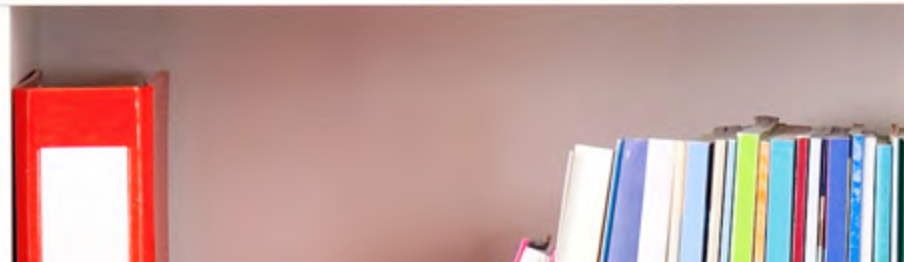
- **Spa Manager.** The spa manager can handle tasks like paperwork, recordkeeping, employee scheduling, and purchasing. They also can oversee spa operations, maintenance and handle facility management issues.
- **Massage Therapists.** The massage therapist is the life's blood of any spa. They perform the bread-and-butter service of your business: massage.
- **Esthetician.** This service provider can perform a wide range of spa services that include facials, waxing, and make-up applications.
- **Receptionist.** In addition to greeting clients, the receptionist answers the phone, books appointments, gives directions, cashes out clients, and performs various other customer service duties like making coffee or even hanging up coats for clients. This employee should be extremely knowledgeable about the spa products you sell.



## Step 9: Appendix



This section of your spa business plan should include additional support documents or materials such as business licenses and permits, health department or state occupational permits, and trademarks.



## Step 10: Executive Summary

Now that you've gathered this great information in the first 9 steps of your spa business plan, write an executive summary to use as the first section! This one-to two-page summary should provide an overview of your spa business plan, quickly highlighting important features of each succeeding section.

**You've compiled and written a great business plan. Congratulations!**



A background image featuring a wooden bowl filled with blue bath salts and a white flower on the left, and two round, textured decorative objects on the right.

## Spa Success with Booker

Booker provides all the tools you need to manage and grow your spa. To learn more, visit [www.booker.com](http://www.booker.com) or [request a demo](#) with one of our team members. Good luck with your new spa!