

# ***Spa Business Strategies***

A Plan for Success

*Janet M. D'Angelo*



CENGAGE  
Learning™

---

Australia • Brazil • Japan • Korea • Mexico • Singapore • Spain • United Kingdom • United States

**Spa Business Strategies, 2e**  
**Janet M. D'Angelo**

President: Milady Dawn Gerrain

Publisher: Erin O'Connor

Acquisitions Editor: Martine Edwards

Senior Product Manager: Philip Mandl

Editorial Assistant: Elizabeth Edwards

Director of Beauty Industry Relations:  
Sandra Bruce

Senior Marketing Manager: Gerard McAvey

Production Director: Wendy Troeger

Senior Content Project Manager:  
Nina Tucciarelli

Senior Art Director: Joy Kocsis

© 2010 Milady, a part of Cengage Learning

ALL RIGHTS RESERVED. No part of this work covered by the copyright herein may be reproduced, transmitted, stored, or used in any form or by any means graphic, electronic, or mechanical, including but not limited to photocopying, recording, scanning, digitizing, taping, Web distribution, information networks, or information storage and retrieval systems, except as permitted under Section 107 or 108 of the 1976 United States Copyright Act, without the prior written permission of the publisher.

For product information and technology assistance, contact us at  
**Professional & Career Group Customer Support, 1-800-648-7450**

For permission to use material from this text or product, submit all requests online at **[cengage.com/permissions](http://cengage.com/permissions)**. Further permissions questions can be e-mailed to **[permissionrequest@cengage.com](mailto:permissionrequest@cengage.com)**.

Library of Congress Control Number: 2009926527

ISBN-13: 978-1-4354-8209-8

ISBN-10: 1-4354-8209-3

**Milady**5 Maxwell Drive  
Clifton Park, NY 12065-2919  
USA

Cengage Learning products are represented in Canada by Nelson Education, Ltd.

For your lifelong learning solutions, visit **[milady.cengage.com](http://milady.cengage.com)**Visit our corporate website at **[cengage.com](http://cengage.com)**.**NOTICE TO THE READER**

Publisher does not warrant or guarantee any of the products described herein or perform any independent analysis in connection with any of the product information contained herein. Publisher does not assume, and expressly disclaims, any obligation to obtain and include information other than that provided to it by the manufacturer. The reader is expressly warned to consider and adopt all safety precautions that might be indicated by the activities described herein and to avoid all potential hazards. By following the instructions contained herein, the reader willingly assumes all risks in connection with such instructions. The publisher makes no representations or warranties of any kind, including but not limited to, the warranties of fitness for particular purpose or merchantability, nor are any such representations implied with respect to the material set forth herein, and the publisher takes no responsibility with respect to such material. The publisher shall not be liable for any special, consequential, or exemplary damages resulting, in whole or part, from the readers' use of, or reliance upon, this material.



# CONTENTS

<b>FOREWORD</b> .....	<b>IX</b>
<b>PREFACE</b> .....	<b>XI</b>
<b>ACKNOWLEDGMENTS</b> .....	<b>XIV</b>
<b>ABOUT THE AUTHOR</b> .....	<b>XVIII</b>

---

## **CHAPTER 1: WHAT IS YOUR VISION?** .....1

Defining a Strategy .....	1
Evaluating Your Personal Qualifications .....	3
Future Goals .....	5
Establishing Business Goals .....	7
What's <i>Your</i> Motivation? .....	8
Assessing Your Business Skills .....	9
Ingredients for Success .....	10
Delegating Responsibility .....	14
Think It Over. ....	14

---

## **CHAPTER 2: THE SPA BUSINESS** .....15

The Spa Revolution .....	15
Philosophical Shift .....	18
Increased Demand for Spa Services .....	18
Scientific Breakthroughs .....	19

The Baby Boomers .....	20
Health Care Concerns .....	21
Making Sense of Statistics.....	22
Demographics .....	24
Market Trends .....	25
Making It Real .....	28
Retail Trends .....	30
Business Considerations .....	30
Defining The Spa .....	31
New Alliances, New Models, And New Standards.....	37
Increased Training and Education Standards for Spa Professionals .....	39
Continued Use of Technology and Demographic Analysis .....	41
Recognition of Consumer Needs and Wants .....	41
The Greening of Spas.....	42
Lifestyle Centers .....	43
Think It Over.....	45

---

## **CHAPTER 3: GETTING DOWN TO BUSINESS .....** 46

---

Why Businesses Fail or Succeed .....	46
Developing a Business Plan .....	48
Gathering Financial Information.....	53
The Balance Sheet .....	53
The Income Statement.....	55
Cash Flow.....	57
Break-Even Analysis.....	59
Think It Over.....	63

---

## **CHAPTER 4: PURCHASING A DAY SPA.....** 64

---

Preliminary Purchasing Considerations .....	64
Exploring Business Opportunities.....	66
Financing Your Spa.....	73
Business Ownership .....	76
Understanding Business Law .....	84
Naming Your Business .....	86
Protecting Your Spa Business.....	87
Think It Over.....	90

---

**CHAPTER 5: ARCHITECTURE AND DESIGN  
OF YOUR SPA. . . . . 91**

---

Developing a Plan . . . . .	91
Strategic Design. . . . .	92
Architects. . . . .	94
Leave Room for Expansion . . . . .	103
Treatment Rooms . . . . .	103
Dry Rooms . . . . .	105
Wet Rooms. . . . .	105
Retail, Administrative, and Community Space . . . . .	107
Spa Operations . . . . .	113
Ambiance. . . . .	117
Color . . . . .	118
Materials . . . . .	119
Lighting . . . . .	120
Design Trends . . . . .	121
Think It Over. . . . .	123

---

**CHAPTER 6: PURCHASING PROFESSIONAL  
PRODUCTS AND EQUIPMENT. . . . . 125**

---

Assessing Your Needs . . . . .	125
Setting Goals . . . . .	126
Calculate the Return on Your Investment (ROI) . . . . .	126
Lease or Buy?. . . . .	131
Evaluate Your Target Market . . . . .	131
Feasibility . . . . .	132
Trade Publications . . . . .	132
Trade Shows. . . . .	133
Word of Mouth . . . . .	133
Comparative Analysis . . . . .	134
Experience the Product Firsthand. . . . .	135
Other Resources . . . . .	135
Narrow the Search . . . . .	138
Choose Products that Enhance Your Spa's Image . . . . .	138
Assess Product Samples. . . . .	138
Include Your Staff in the Selection Process. . . . .	138
Study Distribution in Your Area . . . . .	139

Brand Name Products . . . . .	140
Private Label Products . . . . .	140
How Many Product Lines Should I Carry? . . . . .	142
Government Regulations and Safety Standards . . . . .	145
Staff Training . . . . .	146
Basic Skin Care Equipment . . . . .	147
Advanced Skin Care Equipment . . . . .	150
Hydrotherapy Equipment . . . . .	158
Treatment Furnishings . . . . .	163
Permanent Makeup . . . . .	168
Airbrushing Equipment . . . . .	169
Accessories . . . . .	169
Supplies . . . . .	170
Credibility . . . . .	171
Financing . . . . .	171
Customer Service . . . . .	172
Training and Education . . . . .	172
Marketing Support . . . . .	173
Think It Over . . . . .	174

---

## **CHAPTER 7: TECHNO-SAVVY: USING COMMUNICATION SYSTEMS IN THE SPA . . . .175**

---

Using Information Technology in the Spa . . . . .	175
Computers . . . . .	176
Assessing Your Technology Needs . . . . .	180
Installation . . . . .	183
Internet Service Providers . . . . .	187
Setting Up an URL . . . . .	187
Using the Internet . . . . .	188
Finding the Right Software Program for Your Day Spa . . . . .	193
Request a Demo . . . . .	193
Qualifying a Software Vendor . . . . .	198
Functional Requirements . . . . .	199
Price Considerations . . . . .	200
Telephone Systems . . . . .	202
General Business Equipment . . . . .	207
Specialized Technology . . . . .	209
Think It Over . . . . .	212

---

**CHAPTER 8: MARKETING YOUR SPA . . . . . 213**

---

How Marketing Evolved . . . . .	213
Marketing in Modern Times . . . . .	213
Needs Versus Wants . . . . .	215
What Do Your Clients Value? . . . . .	215
Product . . . . .	216
Price . . . . .	217
Promotion . . . . .	217
Place . . . . .	218
What Do You Want Marketing to do for You? . . . . .	218
Study Economic Conditions . . . . .	220
Identify Your Target Market . . . . .	221
Perform a Competitive Analysis . . . . .	223
The Promotion Mix . . . . .	226
Publicity . . . . .	238
Personal Selling . . . . .	246
Word-of-Mouth Advertising . . . . .	247
Guerilla Marketing . . . . .	248
Develop Realistic Expectations . . . . .	249
Consumer Protection . . . . .	251
Think It Over . . . . .	252

---

**CHAPTER 9: PRESENTATION IS EVERYTHING . . . . . 254**

---

Brand Recognition . . . . .	254
Working with Creative Agencies, Designers, and Copywriters . . . . .	255
Key Elements in Developing Marketing Materials . . . . .	256
Primary Marketing Materials . . . . .	269
Additional Marketing Materials . . . . .	284
Production . . . . .	291
Print Advertising . . . . .	292
Designing a Web Site . . . . .	302
Proofreading Tips . . . . .	308
Think It Over . . . . .	309

---

**CHAPTER 10: SALES AND SERVICE . . . . . 310**

---

Sixteen Simple Rules for a Successful Sales and Customer Service Program . . . . .	310
Retail Sales. . . . .	313
Personal Selling. . . . .	317
Merchandising. . . . .	323
Developing a Sales Plan . . . . .	326
Seek Support from Vendors and Other Merchants . . . . .	328
Satisfy Client Desires. . . . .	330
Building Positive Client Relations . . . . .	337
Client Retention . . . . .	342
Think It Over. . . . .	344

---

**CHAPTER 11: MAINTAINING YOUR BUSINESS . . . . . 346**

---

Your Mission . . . . .	346
Spa Policies . . . . .	348
Client Management . . . . .	354
Hiring Employees . . . . .	358
Employee Relations. . . . .	365
Compensation . . . . .	380
Taxes . . . . .	385
Inventory Control . . . . .	392
Quality Control . . . . .	395
Raising Prices. . . . .	397
Evaluating Your Success . . . . .	398
Think It Over. . . . .	399

**BIBLIOGRAPHY AND RECOMMENDED READINGS . . . . . 400****INDEX . . . . . 403**



## FOREWORD

Janet D'Angelo has developed a comprehensive, thoughtful, and timely volume in the second edition of *Spa Business Strategies: A Plan for Success*. Her passion for education and communication is unparalleled in our skin care industry today. Page by page you will hear Janet's voice speaking to you as an intelligent, critical-thinking, spa business owner or spa professional as she shares information based on research and experience, much of which can be immediately applied to your business.

This volume arrives at a point in our evolution as spa professionals where we are in need of sophisticated vehicles for applying technology; possessing business acuity and financial acumen, and ramping up professionalism. She also implies the value in using tried-and-true qualities and virtues such as patience and persistence and utilizing one's intuition.

Janet D'Angelo describes in eloquent, yet straightforward terms what it takes to be victorious in today's tumultuous spa milieu. She stresses the importance of having a clear vision and mission for your spa; acquiring continuing and advanced education; and in possessing advanced certification and licensure. She advocates goal-setting and developing assessments for both client retention and staff growth. Additionally, Janet describes the significance of understanding one's personal work style to facilitate relationship-building, employing exemplary customer service, and in finding support for skills or talents that team members may bring to round out the business.

*Spa Business Strategies: A Plan for Success* offers the tools you will need to be a prosperous spa owner in an interactive format which includes worksheets, tables, and marketing materials designed to inspire your creativity.

You will find clear directives that move beyond a theoretical or didactic approach, and discover a path for administering practical applications to the “nuts and bolts” of living the life of a spa business owner, manager, and/or practitioner.

The future of the spa business will require having a sound business plan, keeping abreast of trends and technological advancements, as well as having the flexibility to change direction, expand one’s comfort zone, and to grow with the vengeance of an enthusiastic student. Many savvy spa enthusiasts will have as much information as the spa professional, and the bottom line remains in having the readiness to meet their needs and demands. *Spa Business Strategies: A Plan for Success* is the platform for making it happen!

Many blessings to Janet D’Angelo and to all of you!

*Sallie Deitz*

student, clinical aesthetician, author, and educator



## PREFACE

About 13 years ago, I had an interesting conversation with two graduate students from Harvard Business School who were conducting research on the spa industry. Eager to learn more about leveraging buildups, they raised questions about the economic feasibility of the spa business. Shortly after that, I received a call from a colleague who was studying the career path of estheticians and looking for similar information, including job placement, salary ranges, and business training programs available to those looking for a career in spa therapies. Back then, I was marketing esthetic education programs and eager to provide those entering the field with as much information as possible on these important spa business topics. Unfortunately, there was little organized research available to give prospective spa owners, managers, and business developers an overall view of the spa business.

Despite a lack of data to substantiate the growth of the spa business, it was nevertheless clear that a lot of people were becoming interested in the health and beauty field. Much of the increased attention given to the spa sector was the result of a growing interest in collaborative efforts between medical and beauty professionals. As skin care salons turned into day spas and a new generation of service providers began to infiltrate medical practices, there was a real sense that the spa industry and particularly day spas were emerging as a major force in the health, beauty, and wellness movement.

In the relatively short time span since then, a number of spa professionals, market research analysts, journalists, and trade organizations have worked hard to shed light on the status of the spa industry, giving us a much better understanding of the demographics of the spa-goer and the number

of spas that currently exist. Today industry leaders are also eager to provide statistics on other relevant business topics, such as compensation practices that will help smaller day spa owners manage their businesses better.

Still, one of the most prevalent complaints I receive from spa owners, managers, students, product and equipment vendors, spa designers, and other professionals working in the field is the lack of information available on how to manage a successful spa business. In an industry that has encouraged service providers to open their own small businesses, I too have been frustrated by the lack of data, education, and tools available to those looking to become day spa owners. As competition for spa dollars increases and the smaller day spa owner is forced to compete with larger corporate entities, my concerns have increased. In writing the first edition of *Spa Business Strategies*, I hoped to answer many of the questions I have received from entrepreneurs and business people looking to develop and market a profitable day spa. Today I am grateful for the opportunity to continue along this path with a second edition of *Spa Business Strategies* that provides new information on financial management; cost projections, taxes, market value and feasibility; and updates statistics, marketing techniques and the technological tools needed to help business owners and managers meet the ever-increasing demands of this dynamic field.

Because day spa business owners and managers are often looking for clear directives, this book takes a thoughtful and interactive approach to working through many of the issues the spa owner or director will encounter, offering suggestions, checklists, practical examples, and targeted worksheets to help simplify what is sometimes rather dry and complex subject matter. I hope that you will find this technique easy to follow; it is intended to help you move beyond business theory to address the practical business matters that are vital to the day-to-day operation of a successful spa business. If you already own a spa, the material in this book is certainly worth reviewing and may also help you to improve or consider new options for maintaining your current business.

Beginning with the exercises in Chapter 1, which are designed to help the entrepreneur define that all-important vision and focus his or her intention, you will be encouraged to think thoughtfully about your career path, the opportunities, challenges, rewards and practical business management skills needed to become a successful day spa owner or manager. Subsequent chapters follow a natural sequence to guide the prospective spa owner through all of the stages of developing a spa business plan, including finding the right location, financing, architecture and design, purchasing professional products and equipment, marketing, and operations. Working through the material in these chapters, you will notice the emphasis on planning, the primary ingredient necessary for maintaining a healthy business.

All of these exercises are designed to help you along your entrepreneurial journey; however, it is my hope that you will view this book as more than a set of business guidelines. With the spa business often touted as one of the fastest growing fields, it is important that you carefully evaluate the current and future state of the industry. In these competitive times, I would encourage you to take a global perspective and become thoroughly informed about all aspects of the business, including what you can expect in terms of profit and the personal demands involved in business ownership *before* going into business. Those who are able to focus their intention and develop critical thinking skills are in a prime position to achieve success. Best wishes and many blessings to you as you embark on your spa journey!

---

## NEW TO THIS EDITION

### Companion Workbook

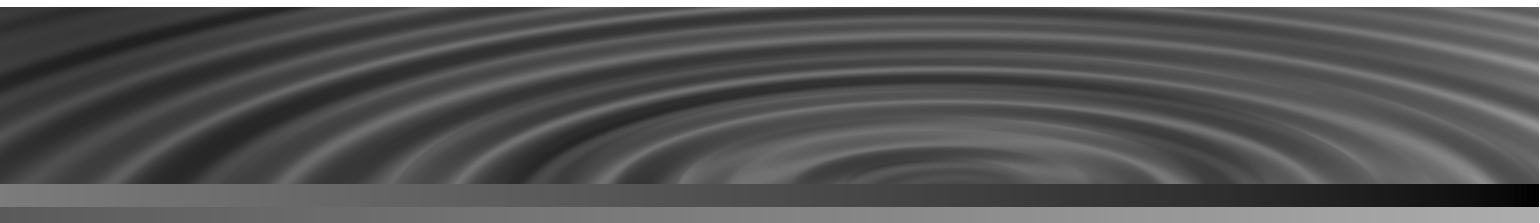
Many of you reported that it would be helpful to have a separate business journal to work through the topics presented in the text, so I am pleased to say that a companion *Spa Business Strategies Workbook* is now available for this purpose.

### Instructor Course Management Guide CD-ROM

We also heard from a number of educators who were eager to integrate the material in this text in the classroom, prompting the creation of an additional *Course Management Guide CD-ROM* that contains all the materials spa educators need to teach spa business management in an easy-to-use format. This innovative instructional guide written solely with educators in mind includes comprehensive lesson plans and a computerized test bank specifically designed to transform classroom management and increase student interest and understanding.

### Instructor Support Slides on CD-ROM

Additional PowerPoint slides are available to aid the instructor in presenting the material in the classroom.



## ACKNOWLEDGMENTS

**I**t would be impossible to mention all of the individuals who have contributed to this book, but I would like to acknowledge the many spa professionals who were so willing to share information. From day spa owners, managers, service providers, architects and spa consultants to product, equipment and software vendors, manufacturers, journalists, publishers, and trade organizations, this new breed of spa professionals is dedicated to establishing best practices in the spa business that will carry us into the next wave of health, beauty, and wellness. I am equally indebted to the clients who have entrusted me with inspiring their vision and to the many prospective spa owners, educators and colleagues who have provided me with input on how they are using this book to support their individual goals.

A special thanks goes to my father who instilled in me the importance of education and a strong work ethic and to Nadia Tagliavento, Jenny Dugan, my friends, family and associates who graciously contributed in one way or another to the completion of the first edition of *Spa Business Strategies*. To the following people and organizations who took time out of their busy schedules to share their expertise, offer insight and/or information that helped me to refine the second edition of this text—thank you. I am very grateful for your willingness to support me in this effort – Shungo!

Adeena Babbitt, the American  
Society for Aesthetic Plastic  
Surgery  
Belvedere USA Corporation

Beth McCoy  
Bruce Schoenberg  
Carolyn Lee  
Cary Collier

David Suzuki  
David Smotrich  
Elaine H. Johnson  
Esther Feit  
Gary Henken  
Gary Rayberg  
Jane Segerberg  
Jim Larkey  
Joel Friedman  
Joyce Hampers  
Judy Singer  
Lesley Shammus  
Mark Roselle  
Marti Morenings  
Nancy White, Natural Market-  
ing Institute

Pam Williams  
Peter Anderson  
Peter Lebovitz  
Polly Johnson  
Randy Schreck  
Rhonda Cummings  
Robert Burd  
Ruby Gu  
Sallie Dietz  
Shelby Jones, International Spa  
Association  
Ted Ning, LOHAS  
Wendy Shaya  
William Caligari

To the many high-tech gurus, professional service providers, government agency and business associates who have helped me to understand printing and production, electrical wiring, telephone systems, building codes, architecture and design, contracts, and legal matters and so forth over the years, I thank you for your patience and support.

I would also like to express my gratitude to Marcia Yudkin, who encouraged me to broaden the scope of my writing, and Cody Bideaux who spurred me on, always managing to show up with an encouraging word at exactly the right moment.

Finally, my sincere and heartfelt thanks goes to the entire staff at Milady who work so hard, especially Martine Edwards, who has continually supported my efforts to refine and broaden the scope of this text with additional resources and educational tools; Philip Mandl, who attended to all of the many details that went into writing the second edition of this book; and Nina Tucciarelli, who supervised the production and artwork. To Pam Lappies, Judy Roberts, and Jessica Burns, who were there at the beginning and without whose support the first edition would not have come to fruition. Thanks also to Kimberley Comiskey, owner of Kimberley's Day Spa who graciously shared her spa vision, and to photographers Paul Castle and Christopher Morris, who worked so very hard to capture its essence. Last but certainly not least, a huge thanks to Lois Woods who helped to bring my vision for "Successful Day Spa" to life.

The publisher and author wish to thank all of the reviewers who contributed their insights, comments, and suggestions in the development of this book.

Linda G. Cowin, Touch of Excellence Body, Hair and Skin Care, WA  
 Shannon Smith, Steiner Education Group, FL  
 Sheryl Baba, Solstice Day Spa, MA  
 Lenore Brooks, Brooks & Butterfield Ltd., MA  
 Sadie Cousins, Marinello Schools of Beauty, CA  
 Linda Craig, Looking Good Hair & Nail Salon, CA  
 Nancy Phillips, Stylist, IL  
 Jeffrey Pippitt, Western Nebraska Community College, NE  
 Cheryl Sacks, RS&C Enterprises, PA

---

## PHOTOGRAPHY AND LOCATION

### Spa location:

Kimberley's A Day Spa Ltd.  
 982 New Loudon Road  
 Latham, NY 12110

### Location Photography by:

Paul Castle, Castle Photography, Inc.  
 Troy, NY  
[www.castlephotographyinc.com](http://www.castlephotographyinc.com)

**Figures 2-1, 4-1, 6-1:** Photos courtesy of Getty Images.

**Figures 2-2, 6-8, 8-1, 9-6:** Photos courtesy of PhotoDisc.

**Figure 2-3:** Image copyright Leah-Anne Thompson, 2009. Used under license from Shutterstock.com.

**Figure 2-5:** Mii amo is a 24,000 square foot destination spa opened in 2001 by Sedona Resorts in Sedona, Arizona.

**Figure 2-6:** Photo courtesy of The Raj Ayurveda Health Spa, Vedic City, IA ([www.theraj.com](http://www.theraj.com)).

**Figure 2-7:** Photo courtesy of Kohler Waters Spa, Kohler, WI.

**Figure 2-8:** Photo courtesy of Canyon Ranch Health Resorts, SpaClubs, and Canyon Ranch Living.

**Figure 4-1:** Image copyright Stephen Coburn, 2009. Used under license from Shutterstock.com

**Figure 4-2a:** Photo courtesy of Oasis Day Spa, at JFK Airport, New York ([www.oasisdayspanyc.com](http://www.oasisdayspanyc.com))

**Figure 4-2b:** Photo courtesy of Emerge Day Spa, Newbury Street, Boston, Massachusetts.

**Figure 4-2c:** Photo courtesy of Absolute Nirvana Spa, Santa Fe, New Mexico.

**Figure 4-2d:** Photo courtesy of Tranquility Day Spa and Salon, Manassas, VA.

**Figure 4-2e:** Photo courtesy of Sen Spa, San Francisco, CA

**Figure 5-1:** Photo courtesy of Image Source Limited.

**Figures 5-2, 5-3, and 5-4:** Spa Blueprints courtesy of the Belvedere USA Corporation.

**Figures 5-6 and 6-10:** Photo courtesy of Essential Therapies Day Spa, Bolton, MA.

**Figure 5-7:** Photo courtesy of Edit EuroSpa, Denver, Colorado.

**Figure 6-2:** Photo courtesy of Lady Burd® Exclusive Private Label Cosmetics

**Figure 6-3:** Photo courtesy of EditEuro Spa, Denver, CO.

**Figure 6-4:** Photo courtesy of Canfield Imaging.

**Figure 6-5:** Photo courtesy of Aesthetic Technologies.

**Figure 6-6:** Photos Courtesy of Bio-Therapeutic, Inc.

**Figure 6-7:** Photo courtesy of SpaEquip, Inc.

**Figure 6-8:** Photo courtesy of Cosmopro.

**Figure 6-9:** Photo courtesy of Oasis Day Spa.

**Figure 6-12:** Photo courtesy of Essential Therapies Day Spa, Bolton, MA.

**Figure 6-14:** Photo courtesy of Golden Ratio Woodworks, Inc.

**Figure 6-15:** Photo courtesy of Stock Studio Photography, Saratoga Springs, NY.

**Figure 11-3:** Image copyright Liv Friis-Larsen, 2009. Used under license from Shutterstock.com

**For participation as models in the photo shoot:**

Sarah Boone

Crystal M. Bruno

Kimberley Ann Comiskey

Janet M. D'Angelo

Jennifer S. French

Niamh Matthews

Colleen McCue

Christopher Morris

Fehma Naz

Sarah Pollack

Lisa Rosenthal

Anne Ruege

Kyle C. Schlesinger

Robert Serenka

Holly Siola

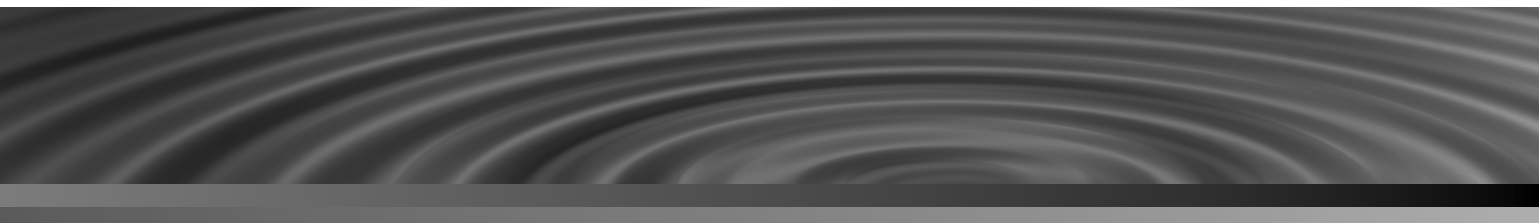
Melissa Strife

Courtney Troeger

Nina Tucciarelli

David W. White

Stacey Wiktorek



## ABOUT THE AUTHOR

**J**anet M. D'Angelo, M.Ed, is founder and president of J. Angel Communications, LLC, a marketing and public relations firm specializing in the health, beauty and wellness industry. In this practical guide to building a spa business, she imparts more than 25 years of hands-on experience developing business administration, management, sales, marketing, and public relations strategies for various spa and related industry businesses including day spas, medical spas, salons, educational institutions, nonprofit organizations, technology, product and equipment manufacturers and vendors.

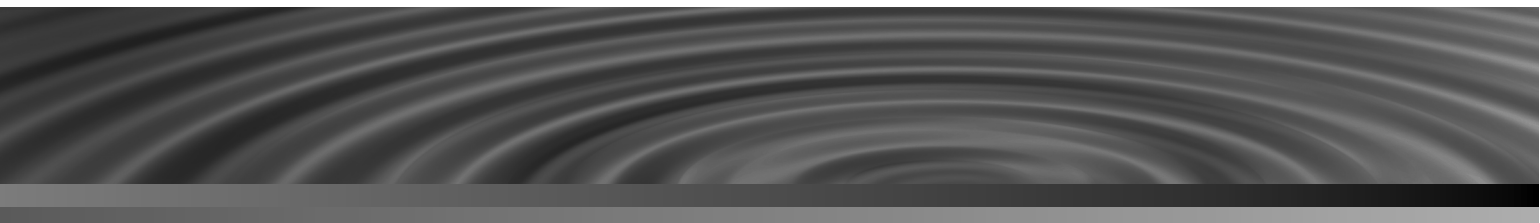
An educator at heart, Janet has enthusiastically lent her support to the development of business resources and has worked tirelessly to raise industry awareness and promote professional standards in the spa and skin care industries throughout her career, serving on trade association advisory boards and research committees, addressing legislative boards, conducting business seminars at trade shows and conferences and writing articles for numerous magazine and trade publications. In addition to *Spa Business Strategies*, she is also a contributing author of *Milady's Standard Esthetics Fundamentals* (Cengage Learning ©2009); *Milady's Standard Esthetics Advanced* (Cengage Learning ©2010) and *Milady's Standard Comprehensive Training for Estheticians* (Thomson Delmar Learning, ©2003). She can be reached at [janet@jangelcommunications.com](mailto:janet@jangelcommunications.com)

**PLEASE NOTE:** The author has taken care in the preparation of this book, but makes no express or implied warranty of any kind to the reader and assumes no responsibility to the reader for errors or omissions. The author

shall have no liability to the reader for incidental or consequential damages in connection with or arising out of the use of the information contained herein.

---

Various references to marketing materials and business strategies associated with the development of a *Successful Day Spa* are used as a fictitious example throughout this text. Any resemblance to actual businesses, persons, living or dead, events, or locales is entirely coincidental.



## DEDICATION

*For my daughters, Nadia and Tania,  
the inspiration for a new spirit in beauty and business.*

## WHAT IS YOUR VISION?

As a marketing consultant, it is my job to inspire the vision of my client. Before I can do that, I need to be clear about what that vision is. Whether the client is involved in a start-up operation or has an established spa, the first order of business is to understand what the client hopes to achieve.

To form a better understanding of the client's goal, I ask them to fill out a detailed questionnaire, encouraging them to define both the practical and theoretical aspects of their work. The questionnaire covers three key areas. First, I want to know something about the client's background and what led them to opening a spa. Did they start out as a service provider, or were they involved in some other business prior to contemplating spa ownership? Second, I want to know what role they intend to play in their spa business. Are they focused on *healing others*, do they intend to *manage operations* or will they act as CEO with little hands-on involvement? Third, I want a clear picture of the products and services they currently offer or intend to offer and what they might be looking to incorporate down the road. All of this information is vital to marketing their spa and developing long-term business goals.

---

### DEFINING A STRATEGY

As I begin to understand each client's vision, I also look to establish the best way for us to work together. Did they enjoy writing their thoughts down and elaborate at length, or were their responses short and to the point? Did they call to ask for clarification as they completed the questionnaire? Seek additional time to explain their responses? Did they nix the idea of responding to the questionnaire on their own altogether and ask to review it jointly?

Sometimes clients will question the importance of putting their answers down on paper; however, once they have had time to process the exercise, their reaction is generally the same. Typical comments are: “I never really gave it much thought until now,” “This really helped me to collect my thoughts,” and “Once I started putting my philosophy down on paper, my mission became clear.” They are equally surprised when their personal goals and ideas are woven into the fabric of marketing materials and advertising campaigns. Sometimes the simplest remark can become the basis of their mission statement, an exciting tag line, or an eye-catching ad. Before we go any further, let’s work through several simple but important preliminary exercises.

## **The Entrepreneurial Journey**

Our world is so full of distractions that it is often hard to hear our own thoughts. It can be even more difficult to find the time to tune into them. If you are not already a spa owner, you will soon learn that running your own business will afford you even less time to yourself. Because I want clients to think thoughtfully about the evolution of their spa, I encourage them to complete the business development questionnaire at a time when they are feeling relaxed and in a space where they are comfortable and will not be distracted. Although the preliminary exercises in this chapter are more introspective in nature, they are based on the same concept and are designed to set the tone for what will hopefully become a regular time and space that you can call your own. Learning to listen to that all-important inner voice is one of the most valuable exercises you will perform as a business owner.

## **Focusing Your Intention**

*As you set the stage for this exciting journey, I would also encourage you to be mindful of what could ultimately be the single most significant factor in your success—your attitude.*

Much has been written about the power of our thoughts, or the law of attraction, a centuries-old and universally acclaimed principle which states that *like attracts like*, and expresses how our thoughts, feelings, words, and actions affect our intentions.

As you consider the ramifications of this profound philosophy, I strongly urge you to take a thoughtful look at your own intentions. Are you truly focused on building a lucrative business? Do you have a can-do attitude? Do you have faith in your own abilities? Do you look to see what you can learn in any given situation? If it is truly your intention to create a

successful business, it is important to become conscious of how your own thinking, both personally and professionally, impacts all of your actions.

Even if you don't have all of the skills and resources required to open or manage a successful spa immediately available to you, remember that you can take control of your attitude. Believe in yourself. Have faith that the right opportunities, the right resources, consultants, teachers, employees, clients, financing, etc. will show up and that you will understand the best way to utilize them. This is the law of attraction. As you learn to see every lesson as an opportunity for growth, and to focus your intention on developing positive outcomes, your vision will expand into what I hope will be one of the best experiences of your life.

### **Affirmation for Spa Success**

It is my deepest desire to bring forth good health, beauty, and wellness to all those who enter my spa.

## **EVALUATING YOUR PERSONAL QUALIFICATIONS**

To begin your entrepreneurial journey, you will need a quiet space, a notebook, and a pen or pencil. Be sure to remove yourself from all of the stresses of everyday life. Turn off the radio, television, and computer, and tune out your children, your spouse, and anything else that might distract you. Find an uncluttered space where you will feel relaxed and settle into a comfortable position. Some like to incorporate certain rituals, such as lighting a candle or playing soothing music, to promote relaxation and create a positive energy flow.

### **PLAN FOR SUCCESS**

Setting the right intention is an important part of any plan for success. Before beginning your entrepreneurial journey take a few minutes to create your own intentions:

It is my strong desire to \_\_\_\_\_

I attract the financial resources needed to \_\_\_\_\_

I attract consultants/advisors/teachers who \_\_\_\_\_

I attract employees who \_\_\_\_\_

I attract clients who \_\_\_\_\_

Character Traits

The first part of this exercise involves an assessment of your personal character traits. Start by taking a few moments to breathe deeply and clear your mind of all other concerns. Once you have achieved a relaxed state, think about those characteristics that most closely identify who you are. Perhaps you consider yourself an optimist, a cheerful person, and a hard worker. You might also think of yourself as a procrastinator or someone who has a hard time budgeting. We all possess strengths and weaknesses. Do not filter or analyze anything. Simply state what is unique to your personality as you fill in the following Personal Inventory Checklist. Identifying the strengths and weaknesses in your character will help you to become a better spa owner or manager.

Accomplishments

The next part of this exercise involves drafting a list of your accomplishments. Looking back at some of the major milestones in your life will help you to get started. Are you a high school or college graduate? A licensed esthetician, massage therapist, or cosmetologist? Do you have a job? Work for someone else or yourself? How many jobs have you held over the years? Were all of them in the same field, a related field, or a different field altogether? What do you feel were your most valuable contributions in each of these roles? Have you received any special honors or awards? Many times we do not stop to reflect on the personal impact our lives have on others. Perhaps you are also a parent or work as a volunteer in your community. There is no doubt you have accumulated a number of personal and professional triumphs. Use the following worksheet to list the most significant achievements in your life. Then take some time to reflect upon which you have found most rewarding and why.

PERSONAL INVENTORY CHECKLIST

My Top Five Strengths

1.

2.

3.

4.

5.

My Top Five Weaknesses

1.

2.

3.

4.

5.

## INVENTORY OF ACCOMPLISHMENTS

Personal Accomplishments

- 1. *Example: Volunteer for American Cancer Society*
- 2. \_\_\_\_\_
- 3. \_\_\_\_\_
- 4. \_\_\_\_\_
- 5. \_\_\_\_\_

Professional Accomplishments

- 1. *Example: Spa Director at Urban Day Spa for over five years*
- 2. \_\_\_\_\_
- 3. \_\_\_\_\_
- 4. \_\_\_\_\_
- 5. \_\_\_\_\_

## FUTURE GOALS

Reflecting upon past achievements is often a good way to uncover what you would like to do next. Are you considering opening your own spa? Expanding your current operation? Will you operate your spa as a sole proprietor or have a partner? Maybe you are interested in obtaining a management position and working for someone else for awhile. Will this be a new role for you? What attracted you to the spa business in the first place? What do you like most about it? Are there specific tasks within your current job description that you enjoy more than others? Which is your least favorite? These are just some of the questions to consider as you lay the groundwork for the next phase of your career.

## FUTURE GOALS

Over the next five years, I would like to accomplish the following.

*For example:*

- |  |          |
|--|----------|
| 1. <i>Open my own spa.</i>                                   | 1. _____ |
| 2. <i>Broaden the range of services I currently provide.</i> | 2. _____ |
| 3. <i>Obtain a massage therapy license.</i>                  | 3. _____ |
| 4. <i>Become computer literate.</i>                          | 4. _____ |
| 5. <i>Improve my business and management skills.</i>         | 5. _____ |



**FIGURE 1-1** A clear vision of the type of spa you want to own is the first step in developing a plan for success.

---

## ESTABLISHING BUSINESS GOALS

The next exercise involves focusing more intently on your business goals. If you could imagine the perfect spa setting, what does that look like? Be specific. In what type of spa work environment would you be comfortable? Is it a small, medium, or large spa facility? Would you like to own or manage a day spa, health and wellness center, or a medical aesthetics practice? Perhaps you would like to work in a destination spa or develop an amenity spa within a hotel or resort (Figure 1-1). Think about the number of treatment rooms your spa will incorporate. Who will work in those rooms? What kind of treatments will they perform? Will your spa be geared toward health or beauty practices? Will you incorporate hydrotherapy? Will that take the shape of a Swiss shower, Vichy shower or hydrotherapy tub? What equipment and technology will you use—microcurrent, light therapy, or microdermabrasion? What kind of atmosphere would you like to create—sleek, charming, or restful? What colors appeal to you? Will your employees wear uniforms? Are there flowers, plants, waterfalls, music, and/or chimes? What professional products, complementary books, CDs, and videos will you sell? Who will receive your services? How will you treat them? Are there certain policies you feel are fundamental to running a good business? Are there any that would be difficult for you to enforce? How will you handle employee issues? There are many things to think about.

Sound overwhelming? It doesn't have to be. Giving these questions some serious thought is the first step in your plan to succeed. Putting your ideas down on paper is the next step to bringing them closer to reality. Use the following space to describe your ideal spa. If sentences or phrases do not come easily, just write the first words that come to mind. Be sure to welcome the questions that have no answers, leaving space to add information as it comes to you. Many find it helpful to designate a special notebook or spa journal specifically for this use. This is an excellent way to commit those "lightbulb moments" to memory. Referring to your spa journal from time to time is also a good way to measure your progress and keep your spa vision on track.

**Describe your ideal spa in 100 words or less.**

---

---

---

---

---

---

---

---

---

---

## Are You an Entrepreneur?

Now that you have a general idea of the type of spa business you would like to build, let's shift to what it will take to turn your dream into a reality. Although some believe that entrepreneurs are born, not made, this is not necessarily true. The motivation for starting your own business can be the direct result of any number of situations. For example, losing your job, feeling unfulfilled or undervalued, or simply not making enough money are all common reasons for taking the entrepreneurial route. In some cases, *luck* or *fate* plays a role. How many times have you heard a successful business owner say "I was just in the right place at the right time"?

If you are an independent type with good instincts and the skills necessary to operate your own business, you too have a good chance of running a successful spa business.

---

## WHAT'S YOUR MOTIVATION?

The desire to make more money and the need to be recognized for the contributions that one makes to the success of an operation are two of the more popular incentives for going into business for oneself. Working hard for someone else without any of the benefits or prestige has driven more than one employee to establish their own business. Others simply may have difficulty taking orders from higher-ups or feel that they could do a better job managing the business where they now work. Perhaps none of these fit your particular situation, and being your own boss has always been your dream. Whatever your reasons are, clarifying them is a critical part of realizing your plan for success.

As you contemplate the following checklist, consider your personal reasons for becoming a spa owner. If your motivation includes factors that are not listed here, be sure to add them. Keep this list in a safe place as a positive reminder of your goals and intentions. This will help you to maintain your focus, especially on those days when things do not go according to plan.

## MOTIVATION FOR BECOMING SELF-EMPLOYED

Check all that apply; then rate each of your reasons from 1 to 5, with 1 being the most important and 5 being the least important.


- |  |   |   |   |   |   |
|--|---|---|---|---|---|
| <input type="checkbox"/> Desire to make more money   | 1 | 2 | 3 | 4 | 5 |
| <input type="checkbox"/> Need to feel more fulfilled   | 1 | 2 | 3 | 4 | 5 |
| <input type="checkbox"/> Want more control over my career                                      | 1 | 2 | 3 | 4 | 5 |
| <input type="checkbox"/> Dislike taking direction from someone else                            | 1 | 2 | 3 | 4 | 5 |
| <input type="checkbox"/> Desire to create my own schedule                                      | 1 | 2 | 3 | 4 | 5 |
| <input type="checkbox"/> Realization that clients come to the spa to see <i>me</i>             | 1 | 2 | 3 | 4 | 5 |
| <input type="checkbox"/> Frustration over the way the spa I presently work in is being managed | 1 | 2 | 3 | 4 | 5 |
| <input type="checkbox"/> Crave the prestige that comes from owning my own business             | 1 | 2 | 3 | 4 | 5 |
| <input type="checkbox"/> Other _____   | 1 | 2 | 3 | 4 | 5 |

What have you discovered about yourself? Write one sentence that best describes your reason for opening your own spa business.

## ASSESSING YOUR BUSINESS SKILLS

Once you understand the primary reasons you chose to open your own spa, you are ready to tackle one of the most difficult tasks that you will face in starting your own business—taking stock of your individual strengths and weaknesses. Although many are intimidated by self-evaluation, knowing how your entrepreneurial qualifications stack up can be a *freeing* experience. As Michael Gerber, author of *The E Myth Revisited: Why Most Businesses Don't Work and What to Do About It*, points out, one of the biggest

problems entrepreneurs face is that they fail to realize the difference between working in a business and making that same type of business work. Applying this philosophy to the spa business, we can see that being a good service provider does not necessarily equate to managing a spa business well. To start the self-evaluation process, let's begin with three important questions.

- 
1. *What skills are necessary for starting a spa business?*
  2. *Do I have these skills?*
  3. *If not, how will I acquire them?*

Although it is not mandatory that a spa be owned by a licensed service provider, such as a licensed esthetician or massage therapist, chances are you may have those credentials. It is probably also safe to assume that if you are a service provider, you are probably a good one. In fact, that may be the reason you chose to open your own spa in the first place. Having knowledge of the ingredients that make for a good facial or body treatment are important to understanding the business, but the ability to perform a facial or body treatment well is not the only thing needed to operate a successful spa. As the owner, president, or CEO of your spa business, you will be required to perform and/or supervise a variety of tasks. Some of these tasks will be practical or technical in nature, and others will be administrative. Before you enter the marketplace, it is imperative that you are keenly aware of all the duties and responsibilities of spa ownership and understand exactly where your specific strengths and weaknesses lie. Those entering the spa industry from the business side, as investors, owners, and managers, should be equally diligent, gathering as much information about the culture, spa treatments, and the specific business skills required as possible.

---

## INGREDIENTS FOR SUCCESS

We have already determined that entrepreneurs are not necessarily born; they can also be shaped or molded. In some cases, new business owners have the opportunity to learn from previous management. Others may seek higher levels of education to assist them in assuming the responsibilities of operating a business. However, most successful entrepreneurs possess certain general character traits. Use the following worksheet to assess your personal qualifications. Then rate your capabilities on a scale of 1 to 5, with 1 being excellent and 5 indicating that you have work to do in that area.

# CHARACTER TRAITS OF THE SUCCESSFUL ENTREPRENEUR

## Rating Scale

1 Excellent; 2 Very Good; 3 Average; 4 Less than Adequate; 5 Need to Develop

<input type="checkbox"/> Disciplined	1	2	3	4	5
<input type="checkbox"/> Confident	1	2	3	4	5
<input type="checkbox"/> Self-motivated	1	2	3	4	5
<input type="checkbox"/> Passionately committed to achieving goals	1	2	3	4	5
<input type="checkbox"/> Possess tremendous energy	1	2	3	4	5
<input type="checkbox"/> Comfortable with change	1	2	3	4	5
<input type="checkbox"/> Recover from setbacks easily	1	2	3	4	5
<input type="checkbox"/> Enjoy working with people	1	2	3	4	5
<input type="checkbox"/> Have a strong work ethic	1	2	3	4	5
<input type="checkbox"/> Possess excellent organizational skills	1	2	3	4	5
<input type="checkbox"/> Possess excellent communication skills	1	2	3	4	5
<input type="checkbox"/> Have a clear vision of business goals	1	2	3	4	5
<input type="checkbox"/> Have a clear vision of personal goals	1	2	3	4	5
<input type="checkbox"/> Ability to stay focused on short- and long-term projects	1	2	3	4	5
<input type="checkbox"/> Ability to motivate others	1	2	3	4	5
<input type="checkbox"/> Ability to work cooperatively with others	1	2	3	4	5
<input type="checkbox"/> Ability to manage and direct others with integrity	1	2	3	4	5
<input type="checkbox"/> Balance work and personal life	1	2	3	4	5
<input type="checkbox"/> Manage stress well	1	2	3	4	5
<input type="checkbox"/> Practice effective time management	1	2	3	4	5
<input type="checkbox"/> Possess strong leadership skills	1	2	3	4	5

**TABLE 1-1****BUSINESS SKILL ANALYSIS**

<b>Business Task</b>	<b>Experienced</b>	<b>Feel Confident Could Learn</b>	<b>Need Professional Help</b>
1. Understanding of the industry			
2. Accounting/bookkeeping			
3. Managing information technology systems (computers, telephone, fax, credit card machines, etc.)			
4. Handling telephone communications			
5. Conducting sales transactions			
6. Scheduling appointments			
7. Managing payroll			
8. Scheduling employees			
9. Maintaining client records			
10. Developing customer policies			
11. Developing employee policies			
12. Handling human resources (interviewing, hiring, firing, developing compensation and benefits packages)			
13. Developing procedural guidelines			
14. Evaluating employee performance			

***Business Qualifications***

When it comes to business skills, many novices fall short of the experience required to own or manage a spa. This is perfectly natural. It would be hard for any one person, particularly those who have never owned their own business or held a management position, to possess *all* the skills required to operate a successful spa business. Table 1-1 will help you to evaluate the skills needed to run your spa business, determine those which you are most adept at, and work on those that you need to hone or outsource.

TABLE 1-1

## BUSINESS SKILL ANALYSIS CONTINUED

Business Task	Experienced	Feel Confident Could Learn	Need Professional Help
15. Problem solving			
16. Resolving conflicts			
17. Purchasing property/negotiating a lease			
18. Managing finances			
19. Maintaining inventory control			
20. Complying with local and state business laws			
21. Understanding of the technical skills of <i>all</i> service providers			
22. Marketing			
23. Promoting sales			
24. Handling public relations			
25. Advertising			
26. Working with product vendors			
27. Merchandising			
28. Managing retail sales			
29. Educating clients			
30. Recommending products			

As you review the list of items, remember that *smart* entrepreneurs realize they cannot wear all hats well. *Wise* businesspeople develop a general understanding of all the tasks that go into running a business and then decide which they will focus on and which they will delegate to others. For example, you may decide that you like the idea of marketing and promotion but do not have all the skills necessary to perfect the pieces that will give your business a polished professional image. In this case, you may decide to consult with someone who can turn your ideas into a successful marketing campaign while you maintain the internal operations necessary

to implement and measure the success of such efforts. You might also like the idea of managing day-to-day operations, crunching numbers to assess the spa's success, or measuring employee progress. If so, installing systems that can help you keep track of sales, employee commissions, and general business reports is a good place to start. Still, you are likely to hire a professional accountant who is more knowledgeable to assist you with balancing your budget or a break-even analysis and to ensure that your business complies with state and federal tax laws.

---

## DELEGATING RESPONSIBILITY

Many spa owners function strictly in a management capacity. However, it is not uncommon for a spa owner who is also a licensed service provider to devote a certain amount of time to performing services and a certain percentage of time to managing day-to-day business operations. Other spa owners are perfectly comfortable spending most of their time in the treatment room while supervising a front desk manager and outsourcing a large percentage of the tasks listed in Table 1-1. Whichever path you choose, you will need to make an honest assessment of where your talents lie and how you wish to channel your energy. There are no absolute *do's* and *don'ts* here, with the exception that every spa business owner should be aware of all the facets that go into running a business and be prepared to make the critical decisions necessary to execute these tasks for the best possible outcome.

---

## THINK IT OVER

If at this point you are asking yourself what these exercises have to do with operating your own business, go back and reevaluate each one. Having a complete vision of your personal and professional goals and understanding your individual strengths and weaknesses is the first step in your journey to becoming the best spa owner or manager you can be.