

FROM SURVIVING TO THRIVING IN YOUR SALON BUSINESS

WITH LIZA SMITH



A CLEAR BLUEPRINT TO BULLETPROOF YOUR BUSINESS

DISCOVER some rapid
fire wins to help you
navigate these stormy
waters

LEARN the strategic
shifts needed to
grow yourself as a
business owner

MASTER the Marketing
pillars that will take you
to the next level in your
business

HI, I'M LIZA SMITH

A multi award winning Salon Owner and International Educator for brands like CND, Wax:One and Nimue.

I know what it is like to build a business from scratch, I was a passionate, but naive 21-year-old straight out of college when I opened my salon over 30 years ago!

I have had an amazing career travelling the world, looking after the hands and feet of the famous, winning international nail competitions, and educating many Nail and Beauty professionals.

I have retired from competition and session work, and now judge instead of competing.

A lot of my time is spent growing my salon business which has 10 employees.

After a few years of investing in my own business coaches and learning how to take my business to the next level, I am now mentoring and coaching other salon professionals to build their secure salon of the future.

In this unprecedented time, it is hard to see the positives, however, it is my honest belief that 2021 holds amazing opportunities for business owners that prepare themselves for the reopening of our industry.



LIZA SMITH
CEO and Founder of The
Business of Salons



.Wow! What a year 2020 was!
Looking back now, the industry and our businesses have changed.
Not better or worse, just different.
Are you feeling stuck right now?
Some clarity on where we are today will allow you to draw a new blueprint
for the direction of your business.

I have always been passionate about our industry, and last year gave me the
opportunity to step up and help salon professionals that were scared and
frustrated.

As a salon owner myself, the changes I had to put in place are still under
review, and need to be adjusted as necessary.

We were all caught with our pants down, but who on earth prepares for a
pandemic?!

I have written this workbook to accompany the video series that you will
find in the Free Community Business of Salons Membership .

I genuinely believe that 2021 has seen an explosion of opportunities for
salon professionals.

We always do well in and after a recession, and this last 18 months is the
biggest restriction on people we have seen since the second world war.

Join me on this journey to giving you the skills to steer your ship through to
the other side of this storm.

LIZA SMITH
CEO and Founder of
www.thebusinessofsalons.com

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VIDEO 1

DECISIVE ACTION PLANS

VIDEO ONE

Mission statements are a navigational tool to enable you to stay on track. It will be like your North star, pointing the way forward. It is a short summary of WHY your business exists, its essence. It will help to shape your business strategies and give a clearer message to your clients.

Vision Statements are the future goals of your business. The bigger picture; your aspirations; where you want to be in 5/10 years time; your legacy.

This exercise keeps you aligned and away from shiny objects! We NEED this compass to navigate our way through this storm- It will help you achieve a clearly defined client avatar, what services to offer and what prices to choose.

Who are you?

You are your brand. You are the voice of your business. Niching down on your ideal client doesn't exclude all others, it just makes your message clearer. Choosing emotions you want your clients to feel when they are with you, colours that express those emotions and what you want to be known for will be the beginning of you and your business brand being aligned.

Who are your tribe?

Try to flesh out your Ideal Client Avatar, really get to know how you would speak to them, what do they want to hear. Where do they spend their time? what do they spend their money on? what are their beliefs? what makes them sad, happy, angry and excited?

Where are they?

Your **Instagram** feed is your front window. Your clients should be able to recognise your feed from other salon businesses. Don't fill your feed with only images of your work. Include quotes, testimonials, inspiring images that speak to your ICA. Tell your story, use behind the scenes photos. Remember to use spacers in your brand colours in-between photos, this will make it less busy and more likely to catch someones eye and stop the scroll!

Facebook is your community. You need a business page and it is a great idea to have a FB group in the same name to invite clients into. Try to go live on your page and in your group, video is THE best way to engage with your clients.

Email is probably the most important of all ways to communicate with your clients. FB and IG own your accounts, they can be taken away at any time, your email list is yours to own.

VIDEO ONE

STEP 1 WHAT IS YOUR MISSION STATEMENT?

STEP 2 WHAT IS YOUR VISION STATEMENT?

STEP 3 WHAT ARE THE 3 EMOTIONS YOU WANT YOUR CLIENT TO FEEL?
1)
2)
3)

STEP 4 WHAT 3 THINGS DO YOU WANT TO BE KNOWN FOR? (USP)
1)
2)
3)

STEP 5 WHAT ARE THE TOP 3 COLOURS THAT REFLECT THE EMOTIONS YOU PICKED?
1)
2)
3)

VIDEO ONE

STEP 6

WHO IS YOUR IDEAL CLIENT AVATAR?

NAME-
AGE-
JOB-
SALARY-
CAR-
PETS-
CHILDREN-
SOCIAL LIFE-
FILMS-
DRINK-

STEP 7

DOES YOUR IG FEED LOOK LIKE YOUR FRONT WINDOW AND SHOW YOUR BRAND COLOURS ?

-

DO YOU HAVE AN EVEN SPREAD OF IMAGES, QUOTES AND LOGO SPACERS?

-

ARE YOU POSTING STORIES DAILY?

-

STEP 8

YOUR FACEBOOK IS YOUR COMMUNITY, HOW OFTEN DO YOU POST?

-

DO YOU HAVE A VIP FB GROUP FOR YOUR TOP CLIENTS?

-

DO YOU DO AT LEAST ONE LIVE A WEEK?

-

CLIENTS LOOK FOR ENGAGEMENT ON FB, DO YOU ASK TOPICAL QUESTIONS AND HOLD COMPETITIONS?

-

STEP 9

YOUR EMAIL LIST IS VITALLY IMPORTANT.

RESEARCH MAILCHIMP AND MAILERLITE TO CREATE CAMPAIGNS.

CREATE A FORM TO ASK CLIENTS FOR THEIR UP TO DATE EMAIL AND PHONE NUMBER.

CREATE GROUPS ON YOUR EMAIL PLATFORM AND SEND EMAILS TO WEEKLY TO EACH GROUP.WHICH GROUPS CAN YOU SEGMENT?

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-

-

VIDEO ONE

MISSION

TASK CHECKLIST

- MISSION STATEMENT
- VISION STATEMENT
- VALUES

WHO ARE YOU

TASK CHECKLIST

- 3 EMOTIONS
- 3 THINGS YOU ARE KNOWN FOR
- 3 BRAND COLOURS

MESSAGE & MEDIA

TASK CHECKLIST

- ICA
- INSTAGRAM & FACEBOOK
- EMAIL CAPTURE & CAMPAIGN

VIDEO 2

MINDSET AND MARKETING PILLARS

VIDEO TWO

"You can't stop the waves, but you CAN learn to surf!"

When bad things happen, people think they have to feel bad.
Successful entrepreneurs think "another problem, let's deal with it"

To be in control you need a PLAN.

Your brain is not effective until you direct it. You have to tell it what you want to hear.

Reasons to be cheerful (as said by Ian Drury, if you are old enough!)

- almost certainly the last lockdown
- vaccine numbers increasing
- are we nearly there yet? Yes we are!
- billions of £'s waiting to be spent
- The economy is about to explode

Control the Controllable's. Now is the time for action.

The person you were in 2020 is not the person you need to be in 2021.
You need to be on the starting line when the gun goes off.

To grow the business, you need to grow the business owner one step at a time.

To be in control you need 2 plans

1- The big Picture- from where you are now to where you want to be

2-The next 60-90 days.

There are 60 times 45 min slots in a Mon-Fri 9-5 week.

How you use your time in the next 60-90 days will determine where your business is in 12 months..

Take ruthless control of your time.

Stay accountable by choosing one big project per 30 days, then choosing 3 small tasks to do for each day.

What pushes the needle forward?

Do not become invisible to your clients.

Email- weekly or fortnightly, but consistently.

Create a WhatsApp client focus group to get precise clear answers from your best clients.

Download Google my Business app and keep it up to date.

Create 3 core videos for your website and socials. People love to watch videos; Video traffic is now over 75% of all consumer traffic on the internet.

VIDEO TWO

STEP 1 List your reasons to be cheerful

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-
-

STEP 2 List the things you can control

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-
-

STEP 3 List the things you cannot control

-
-
-

STEP 4 **The big Picture.** Where are you now?

- monthly salary
- holidays per year
- business structure
- any staff
- what services you offer

STEP 5 **The Big Picture.** Where do you want to be (5-10 yrs time)

- monthly salary
- holidays per year
- business structure
- any staff
- what services you offer

STEP 6

- The next 60-90 days.
- write out you 45 mins slots in you diary for the next few weeks
- choose 3 large projects, one for each 30 day period

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VIDEO TWO

STEP 7 Choose your 3 tasks for tomorrow (some ideas below!)

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-
-

STEP 8

- Ask your client base for their up to date email and phone number
- Write down a campaign subject for each week for the next 4 weeks
- Write the next 4 emails based around those campaigns
- Enter your emails into groups on your chosen email platform (see step 9 on worksheet for video 1)

STEP 9 Set up a WhatsApp group and invite your top 5/10/15 highest spending clients to be in your client focus group. Ask them marketing questions such as how they find your website; what service could you add; list a lot of features and benefits of the salon including price, decor, communication etc and ask them to order them in their preference.

STEP 10 Download the app Google my Business and set it up. Make a point of sharing the same amount of posts and images on there as your social media feed. Google rewards you with more traffic if you keep it up to date.

STEP 11 Record 3 videos for your website and social media

- This is us.... (2-3 mins, this is your mission and vision statements)
- Problem solvers (choose the most common problem you solve, talk about the client problem and how you helped that client)
- Trust builders (educational information, can be a few short ones, one on each service you provide) Show your knowledge.

STEP 12 Create a mood board on your Big picture, either by printing off and cutting and pasting on a board, or do it digitally.

Both business and personal.
SEE the possibility of acheiving it!

VIDEO TWO

STEP 7 Choose you 3 tasks for tommorrow (some ideas below!)

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-
-

STEP 8

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VIDEO TWO

CONTROLLABLES

TASK CHECKLIST

- REASONS TO BE CHEERFUL
- THINGS YOU CAN CONTROL
- THINGS YOU CANT CONTROL

PLANNING

TASK CHECKLIST

- YOU BIG PICTURE
- THE NEXT 60-90 DAYS PROJECTS
- TOMORROWS 3 TASKS

COMMUNICATION

TASK CHECKLIST

- WHATSAPP GROUP FOR VIP CLIENTS
- GOOGLE MY BUSINESS
- MY 3 MAIN VIDEOS

VIDEO 3

KEY STRATEGIC SYSTEMS



VIDEO THREE

When I decided I needed to take a step back from working completely IN my business and start to work ON my business, it meant that I needed to delegate jobs. The trouble was, the system of doing these jobs was in my head, so no one knew how best to do them!

This led to us building what we call our **Business Bible**.

SYSTEMS (Save Yourself Stress Time Effort & Money)!

Systems are ways of doing things that have the best chance of bringing about a particular result **Consistently**.

Once you have identified what the "best practice" is, break it down into a series of steps that can be written down, illustrated or photographed so that they can be repeated again and again.

Solve a problem, not once, but forever.

Hard Systems are what something looks like eg, logo, design, uniform (visual consistency)

Soft Systems are what something sounds like. ie. how you answer the phone, how you greet clients, how you deal with complaints, and how you cross sell and up sell.

Understandably, systems are super important when its not just you in your business, but even if you are alone in the business, systemising processes will give you consistency and also allow you to manage your time more efficiently.

Ask yourself these 3 questions:-

- 1) does this task take more than 5 mins?
- 2) is it a task i'm going to have to do more than once?
- 3) is it a task I personally don't like doing or that somebody can do more efficiently or effectively?

How to make a start:-

1) **Capture** the task (video yourself) Take it from your head and onto paper!
1A) If you don't have a system in your head for a task, you need to adopt a task from a mentor.

2) **Document** the captured activity and document each task in detail.

3) **Organise** your systems "Salon Bible" into categories including:-

- reception
- treatment protocols.
- marketing
- complaints
- the customer journey
- health and safety

VIDEO THREE

THE CLIENT JOURNEY

The best way to systemise your client journey is to act like a secret shopper would.

Examine every aspect and touch point that your client would come into contact with.

- Booking - online- accessible- messaging- speed of reply
- Phone call/ email- quick response- script-
- Greeting- receptionist- can this be automated
- Consultation- every service- online- in person- script- gdpr
- Service- consistency- extras- on time- pricing- retail- up-sell- cross sell
- Payment - options- reliable- voucher sales- retail sales
- Rebooking- availability- in advance- online
- Communication- consistent- email- newsletter- offers-



VIDEO THREE

SALON PROTOCOLS

Treatment protocol

When writing down the protocol for each service, it needs to be written as if for an alien!

Not only does this create consistency, but it will enable you to look at each service for efficiency or waste, either time of product.

Housekeeping

Start at the front of the salon, take note of everything that is dirty, broken, or missing

How often does each area need cleaning, with what product. Create a start of day and an end of day list for clarity.

Create a list of where each cleaning product comes from, this saves time and a waste of them being bought somewhere more expensive.

Marketing

Use an app like planoly to upload images and create posts ready to go in one sitting. They can be scheduled to post days/weeks in advance. Batching jobs like this is a much better use of your time.



VIDEO THREE

HEALTH AND SAFETY

Now more than ever before, is it so important to have a documented, up to date **Risk Assessment**.

The process

- Identify the hazard
- Decide who may be harmed
- Evaluate the risks and decide on the precautions
- Record the findings and put them in place.
- Review the risk assessment.

Health and safety Suite-

- A health and safety policy
- Risk assessment
- Insurance suitable for the business
- First aid kit and knowledge
- Accident book
- Fire safety certificate
- Pat testing
- COSHH

All these can be downloaded from www.hse.gov.uk

Even though sole traders by law do not need to have written documents, it is a strong recommendation that you do carry out these checks and keep them updated.





VIDEO THREE

Systems can be rolled out across the salon business.

If I look back now to using a paper diary and pencil, it brings me out in a cold sweat!

Especially if there are numerous people using it.

Salon management systems have come a long way and there are many on the market that are free or very reasonable.

These systems can provide you with reports for your daily/weekly/monthly takings.

It stores your customer data, sending them appointment reminders.

This reduces no shows and is an added bonus that clients appreciate.

If you do not have a team that you can delegate tasks to, you need to look at either eliminating those tasks or automating them.

Keep a diary of time blocks for a week or two, write down EVERYTHING you do for the business.

Can you eliminate or automate any of them?

Your time is precious, you can choose to do more clients, or have more free time.

VIDEO THREE

CLIENT JOURNEY

TASK CHECKLIST

- BOOKING SYSTEMS
- CONSULTATION
- COMMUNICATIONS

PROTOCOLS

TASK CHECKLIST

- TREATMENT PROTOCOLS
- HOUSEKEEPING PROTOCOLS
- MARKETING PROTOCOLS

HEALTH & SAFETY

TASK CHECKLIST

- RISK ASSESSMENT
- FIRST AID
- COSHH

VIDEO 4

RAPID FIRE WINS WITH YOUR NUMBERS



VIDEO FOUR

Knowing your numbers is often on the bottom of the list when choosing jobs to do in our businesses.

Before you plan fully for your Big Picture goals, it is essential that you know where you are now, so that you can properly plan for the future.

Most business owners only see their **profit and loss** numbers at the end of the year when their accountant shows them.

Its too late by then, the horse has bolted!

You need a more immediate picture of how your business is performing.

A quick transparent view of where your business is financially.

Doing your P&L each month will also save you time on your self assessment!

Breakeven is how much turnover you need to pay all costs and leave a balance of zero. It is up to you if you include your salary in this equation. My advice would be to work out your breakeven with and without your salary included.

Using this information you can also work out what your time is worth to you, per month, week, day and even the hour.

We carry out **cashflow forecasts** for financial planning.

Over the last 12 months, this has been crucial to be able to see how the business is doing in clear light. .

When doing forecasts, it is good to have a best case and worse case scenario.

Using your P&L for 2019 and 2020 you will be able to see both ends of the spectrum.

Average Client Spend is the total turnover divided by the number of clients. There is no benchmark for this, but the number should be getting higher as you grow.

It is widely accepted that the more services a client has with you, the more loyal they will be.

The Care factor is the % of clients purchasing product from you. The UK salon average is only 5-9%. The ideal we should be aiming for 40%. The higher the care factor % the higher the client retention.

STEP ONE

MONTHLY PROFIT AND LOSS & BREAKEVEN

1

Do you know the answer to these questions?

- does the business have enough cash?
- where is the cash being spent?
- is the business growing?
- is the business performing well against any business plan/forecast?

Lets create a series of 12 month P&L accounts

- 1) - Looking at jan- dec 2019, start with January and list your spending in that month in detail, either on an excel spreadsheet, or just an A4 sheet of paper.
 - Group the spending together in categories eg. stock; utilities; ppe
 - Then put your income in for the corresponding month on the other side.Do the same for every month. You will start to see peaks and troughs in turnover and spending.
- 2) - Do the same for Jan- Dec 2020.

Breakeven is how much turnover you need to pay all costs and leave a balance of zero.
What is your breakeven point?



STEP TWO

CASH FLOW FORECAST

2

Cashflow is your turnover - your costs = balance (- or +)

Cashflow forecast your expected turnover - expected costs = balance (- or +)

Using your P&L for 2019 and 2020 you will be able to see both ends of the spectrum.

- Create your best case forecast for Jan-Dec 2021.
- Then create your worst case forecast.
- Include your static overheads (bills that have to be paid regardless of if you are open) even if you are shut.
- Include any grants that you know you are entitled to.
- Assume that we reopen in April.

Forecasts are to help you plan, they aren't there to depress you.

Use the knowledge you have gained from knowing and understanding your numbers to consider if your prices are correct.

Comparing month to month for spending and turnover will help you to see seasonal peaks and troughs.

Also, you will be able to map out how often you purchase certain things, and be able to plan for those purchases.

Seeing your numbers monthly is more efficient, as you can forecast when you need more money in the bank..



STEP THREE

AVERAGE CUSTOMER SPEND

3

Average Client Spend is another important KPI to track in your business.

Total weekly takings divided by the number of clients in that week = average client spend.

Eg. £1000 turnover divided by 40 clients = ACS of £25.

The higher the ACS is the better, as its an indicator that your clients are buying multiple services and products.

The lower the ACS the more clients you need to do to arrive at the same weekly turnover.

The bottom line is we sell our time for money. So it is important to increase your customers spend every visit with retail sales or small upsells that dont take too much time.

If you added an eyebrow tidy on to every nail client, you would be adding say £10 and only 15 mins to an hour long service that you charge £28 for. If you add in a small retail item for £9 and also glitter on her nails for £4, you have now increased her spend from £28 to £47 and only added 20 mins in time.

Track this KPI weekly and look at ways to increase it by up-selling; cross-selling; and retailing.



VIDEO FOUR

PROFIT & LOSS

TASK CHECKLIST

- 2019 P&L
- 2020 P&L
- BREAKEVEN POINT

CASHFLOW FORECAST

TASK CHECKLIST

- BEST CASE FORECAST FOR 2021
- WORST CASE FORECAST FOR 2021
- PEAKS AND TROUGHS IDENTIFIED

AVERAGE CLIENT SPEND

TASK CHECKLIST

- WEEKLY ACS
- CARE FACTOR %
- UPSSELL IDEAS



MESSAGE FROM THE AUTHOR

Thank you for taking the time to take a deep dive into your business at this tough time.

If you feel you would like me to be one of the 5 people you choose to spend time with/listening to, join me in my closed Facebook group The Business of Salons.

Please feel free to message me if you have a specific question about anything in this workbook.

If you would like more detailed help with your business, check out the next 2 levels of the membership

LIZA SMITH

“You are the sum parts of the 5 people you spend the most time with/listening to, chose the 5 wisely”

HAVE QUESTIONS?

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Freedom means the
opportunity to be
what we never
thought we would be.

DANIEL J. BOORSTIN

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