

# Hand & Stone Massage and Facial Spa Transforms Guest Experiences with Zenoti

*"We started our evaluation of software providers knowing we needed a proven cloud-based system that could reliably support our network of spa locations. Zenoti stood out as the most robust platform, and as a partner that will lead with innovation for years to come."*

- **Joe Brauer**  
Chief Technology Officer



## Executive Summary

Zenoti transforms Hand & Stone Massage and Facial Spa's operations by unifying all aspects of Hand & Stone's business operations enabling consistent brand management and modern, elevated guest experiences.

## Introduction

Hand & Stone Massage and Facial Spa, a top-ranked membership-based franchise spa chain by Entrepreneur, Franchise Times and Forbes, stands out from their competition with three distinct offerings: therapeutic massage, facial and hair removal services. Their successful franchise growth since launching in 2005 is the result of a simple philosophy: "Consistently deliver the highest quality services at affordable prices seven days a week." Hand & Stone boasts more than 460 locations across the USA and Canada with plans to increase their network by adding more than 60 locations (and 1,800 employment opportunities) to their portfolio in 2020. Growth introduces new challenges that compound existing inefficiencies and deficiencies, such as localized and outdated software to manage operations and inconsistent brand experiences across stakeholders and guests.



Hand & Stone's 14,000+ employees provide over three million services annually; membership benefits, loyalty rewards and gift cards are honored by any spa location. However, their software system was restricted to local access and without capability for a central database with cross-location visibility. Guest profiles, service history and on-account balances created in one location could not be accessed by another, leading to duplicate records across multiple spa locations. Membership plans, benefits and gift card balances were also difficult to access due to decentralization. Guest experiences were inconsistent across locations, threatening to weaken Hand & Stone's brand presence and loyalty.



Hand & Stone Massage and Spa recognized that their ability to continue to expand and meet the expectations of today's modern consumer meant updating to an innovative, robust and proven all-in-one cloud-based system to reliably support their growing network.

## Problem Statement

Managing a top-ranked, growing franchise brand requires scalable and reliable systems, data and processes. Hand & Stone's point of sale system was decentralized, with critical data stored in local databases across their network. Secure management of local infrastructure across 460+ locations created risk and inefficiency for the organization. Guest profiles, service history and guest financial information stored in one location was inaccessible by other locations. Guest experiences were inconsistent across locations, threatening to weaken Hand & Stone's brand presence and loyalty.

## Key Challenges with a Decentralized System

Decentralization complicated brand management, daily operations and implementation of strategic marketing programs for Hand & Stone's Corporate team, franchise owners and location staff. The Corporate office experienced limited visibility, delayed and inconsistent reporting for sales, liabilities, local marketing efforts and effectiveness. Franchise locations experienced higher startup costs and associated risks of local hardware implementations.

### Unify Brand and Simplify Operations by:

- *Creating uniform naming conventions for services, products and memberships.*
- *Consolidating service, product and membership offerings for the brand.*
- *Standardizing membership and loyalty programs that work across the network.*

- *Leveraging a centralized database for cross-location access to guest records, notes, preferences, forms, membership, loyalty and gift card balances.*
- *Creating centralized access for consistent, real-time reporting and reporting accuracy.*
- *Merging duplicate guest records, vendors and purchase orders – legacy system created a complex duplication of business data.*

## Defining Hand & Stone as a Unified Brand

Hand & Stone and Zenoti partnered to analyze service, vendor, product, membership, package/series and gift card liability data from all franchise spa locations (Table 1) to develop a data management strategy for brand adoption.

To optimize large data set migration, Zenoti worked with Hand & Stone to strategically map Standard Operating Procedures and guest data across all spa locations. Services, products, and membership programs were consolidated to uniform and standardized nomenclature for a 96% reduction of legacy data (Table 1). The transformation of nomenclature presents an elegant and consistent brand image for Hand & Stone's guests and employees across all locations. This was the first step towards liberating all stakeholders to focus solely on growth for Hand & Stone.



97%

Legacy data consolidation

**Table 1.** Service, Product and Membership Program Consolidation

| Data Type           | Initial Records | Final Records | % Data Reduction |
|---------------------|-----------------|---------------|------------------|
| Services            | 2500+           | 256           | 90%              |
| Products            | 318,500+        | 3,973         | 99%              |
| Membership Programs | 4075            | 53            | 98%              |
| Series/Packages     | 17850+          | 232           | 99%              |

# Seamless Enterprise Migration from Millennium to Zenoti

Hand & Stone’s decentralized model created numerous duplicates of guest records, vendor information and product SKUs across locations. Comprehensive data clean-up required analyzing historical guest information for every spa location including service appointments, retail sales, membership, gift card and package liabilities, inventory and purchase orders as well as merging all duplicate records (Table 2). This cleanup improves the guest experience by delivering a single, unique record of each guest across the network. This also increases marketing effectiveness through increased understanding of guests based on their behavior across all locations.

As locations were ready to convert to Zenoti, it was important to ensure a seamless transition to Zenoti with minimal operational disruptions to daily business. After completing data analysis and clean-up, Zenoti defined ten optimized geographic clusters for a phased rollout. The clusters were optimized to ensure a consistent guest experience across the migrating locations.



**51%** Duplicate Record Reduction

**Table 2. Duplicate Records Merged**

| Record Type  | Initial Records | Final Records | % Merge |
|--|-----------------|---------------|---------|
| Guest Profile, History, Forms, Notes, Card on File | 7+ Million      | 5.35+ Million | 24%     |
| Vendors  | 56              | 37            | 35%     |
| Gift Cards with Liabilities                        | 2102            | 148           | 93%     |

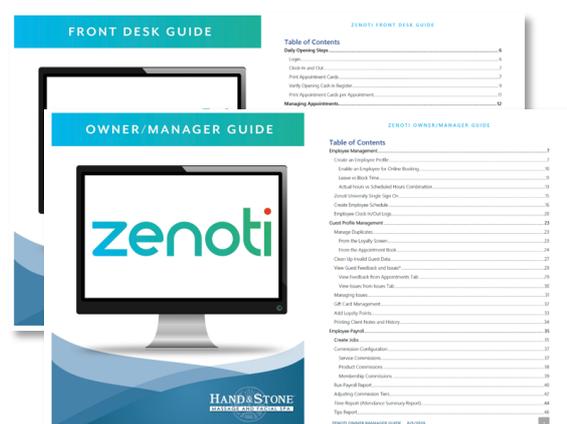
## Comprehensive Training for Faster Transition

A trained staff is essential to achieve elevated experiences for both staff and guests. Effective training programs are critical for both adoption and proficient use of Zenoti’s robust features. Operating from the philosophy that each employee – from CEO to front desk staff – must be competent and comfortable using the software, all Hand & Stone employees participated in a multi-layered training approach.

Employee training began with asynchronous instruction through Zenoti University (ZU). Upon completion and certification of ZU’s self-paced online courses, Hand & Stone employees attended in-depth live webinar training sessions using a demo site that replicates Hand & Stone’s live Zenoti experience. This approach demonstrates how the software behaves in a live environment and navigation in real-time.

Zenoti also created comprehensive training guides for Owners/Managers and Front Desk Staff (Figure 1).

**Figure 1. Hand & Stone Training Guides**



# The Zenoti Go-Live Experience

A large enterprise migration from legacy software involves additional complexities including a cutover migration experience. Cutover migrations involve a number of dependencies such as stage site pre-loading and data validation, and successful cutovers ensure uninterrupted workflow and limited disruptions to daily operations.

The Zenoti implementation team seamlessly moved data for each defined cluster (average cluster – 39 locations) to the respective spa location within Zenoti’s live site (Figure 2).



**Figure 2.** Hand & Stone Go-Live Cutover Data per Location

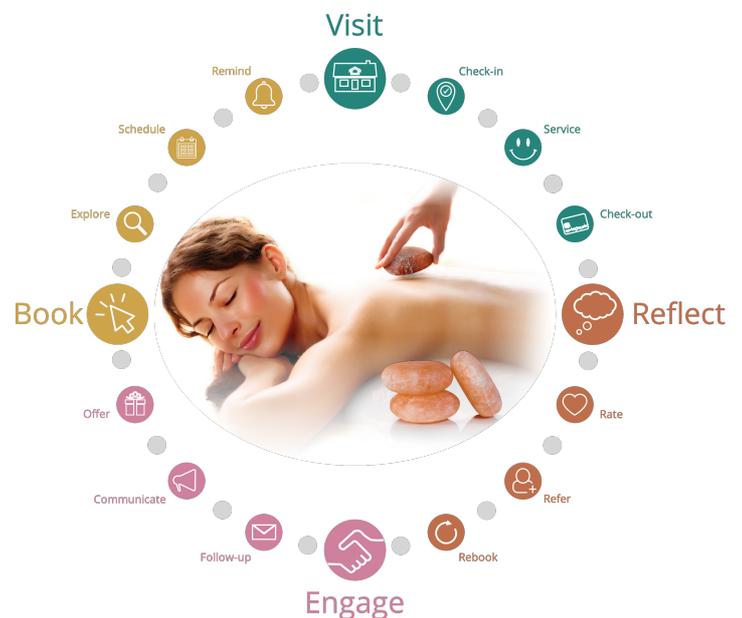
| Operations   | Guest   | Staff  |
|--|---|--|
| <ul style="list-style-type: none"> <li>• Gift card balances</li> <li>• Current and future appointments</li> <li>• Opening stock/inventory</li> <li>• Appointment notifications</li> <li>• Opening register balances</li> <li>• Liability sync</li> <li>• Open purchase orders</li> </ul> | <ul style="list-style-type: none"> <li>• Profile, notes, forms</li> <li>• Membership, package, loyalty, on-account balances</li> <li>• Recurring membership fee collections</li> <li>• Credit card on file</li> </ul> | <ul style="list-style-type: none"> <li>• Schedules</li> <li>• Appointment book block outs</li> </ul> |

# Guest Experiences Transformed

Recognizing the need to create a single source of truth with centralized access for consistent brand experiences, Hand & Stone Massage and Spa selected Zenoti as their spa software. A single source of truth makes managing organizational change easier. Services, pricing and promotions are now implemented at the organizational level and immediately reflected in each Hand & Stone location. Centralized data access allows Hand & Stone management to create impactful, data-driven and targeted marketing promotions that easily adjust for regional pricing and personalized marketing campaigns.

Hand & Stone offers elevated experiences for all stakeholders. Accurate, real-time analytics and reporting lead to impactful business decisions that drive revenue at both the organization and location level. Executives, owners and managers can now use employee performance metrics, which provide relevant feedback for improvements that drive service satisfaction. Operational efficiencies contribute to elevated staff and guest experiences, increasing brand loyalty. Guests now receive the modern and unforgettable brand experience they have come to expect irrespective of the location they visit (Figure 3).

**Figure 3.** A Uniform and Consistent Guest Experience at Every Franchise Location.



**Zenoti has proven experience transforming enterprise spa, salon and med-spa chains that create a lasting impact on owners, staff and guests. We did it for Hand & Stone Massage and Facial Spa and we can do it for you!**