Manage your Operations

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MANAGE YOUR OPERATIONS

63%

Inventory is reportedly accurate 63% of the time in retail businesses
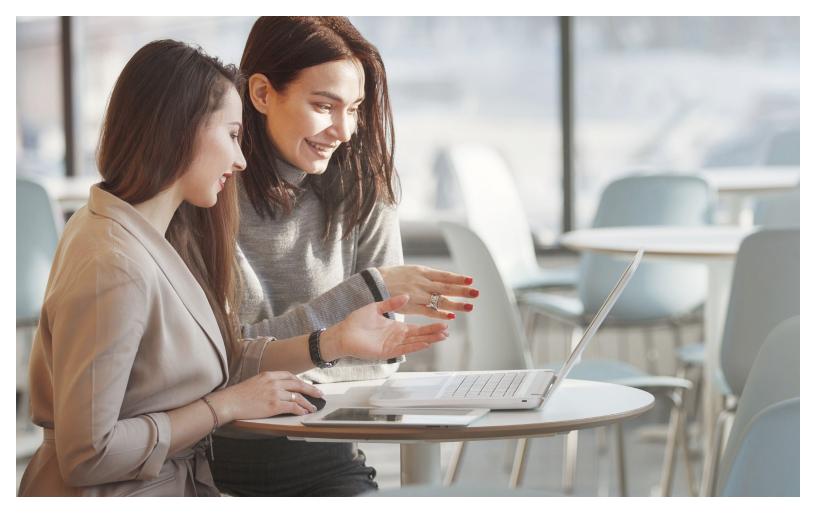
43%

of small businesses in the United States don't track inventory, or do so using a manual system

Managing your business operations well is where the battle for the success of your business is won or lost.

It's certainly more glamorous to speak about glitzy things like your ecommerce site or mobile app. Having an awesome check-in experience, geofencing, auto-payment—all the bells and whistles are what can attract a crowd and retain customers for the long haul.

But understanding the drivers of your business is where the battle is really won or lost. It's not done out front, it's done behind the scenes, figuring out how to squeeze out another percentage of margin, where to open the next store, or how to best balance your labor costs with your client appointments.

Most of us didn't go to school to get this type of education. We didn't take classes on inventory management or payroll. We're not IT experts or business intelligence analysts. We're business owners with a passion for helping people feel good about themselves so that they can go out and be great—in whatever way they want to be.

So where does that leave us—if we're not an expert at a lot of these things, but need to understand them in order to make our business successful? For many businesses, it leaves them with a choice—automate or fall behind. Fortunately, the choice to automate is an easy one with software that's ready to come off the shelf today. Let's dig into some ways that you can manage your business better.

50%

More than 50% of all organizations globally have difficulty retaining some of their most valued employee groups

First off—manage your employees smartly.

Scheduling staff is often listed as the #1 headache for most salon and spa owners and managers today. With staff availability often at a premium (sometimes being double booked at jobs) and an unclear idea of how to balance the appointment schedule with the staff you need on hand, scheduling often turns into a patchwork of guesses that can leave both your employees and guests with a subpar experience. Smart scheduling solutions are increasingly coming to the rescue. Built on artificial intelligence platforms, these applications are able to match up your appointments—both booked and forecasted—with your staff on hand, and help you optimize your staffing levels.

This has a few significant impacts. First, for your team—they're happier because their time is going to be optimized, and they're going to make money during their shift. Next, your customers and guests—they're happy because they don't have to wait for a treatment provider or stylist to get to them while they're sitting in your waiting room. And finally, you're happy because you've been able to match up your costs and revenue and ensure you have an acceptable amount of "give" in the schedule to accommodate no-shows, walk-ins, and appointments that run over. You look like the scheduling master that you knew you always were!

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Managing things like inventory, payroll, and reports aren't the most glamous tasks in the beauty and wellness industry – far from it. But the difference between salons and spas just treading water, and those which are growing, is found in how they manage their operations actively and aggressively.

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Sudheer Koneru
CEO, Zenoti

10%

Reducing stock-outs and overstocks can lower your overall inventory costs by 10 percent

Track your inventory and minimize wasted and shrinkage.

You're more than aware that next to your rent and employee costs, the products you use for your treatments are often the next largest cost on your books. So when you see waste, when you have to rush to re-order more product, or when product goes missing, you're losing money and you're losing control of your business.

By using inventory tracking and ordering capabilities in your software, you can keep a better handle on how your products are being used. By codifying the doses and amounts of product to be used in a given treatment, you can begin to more carefully plan for restocking and avoid shortages that result in cancelled appointments. And by regularly accounting for inventory at the beginning and end of shifts, you can more carefully track if inventory goes missing and is not accounted for—all factors which can harm your bottom line.

Don't overpay—with your point of sale system.

Making it easy to do business with you is a hallmark of a modern salon and spa today. From mobile payments to auto-payment for treatment, more and more businesses are investing in technology that makes payments a breeze. And in an era where we pay for everything by tapping our card or clicking a button on our phone, having a point of sales system that is integrated with your back office, accounting systems, appointment book, customer records, and your inventory system is a must. It allows you to better understand where your revenue is coming from and provide a seamless experience to the customer that will keep them coming back to your business vs. the competition.

In some cases spas and salons have a POS system, but it's *not* integrated. That is, it looks great to the customer, and the payment gets processed, but the business then has to manually take all that information and input it into the back-office systems—a process fraught with error and a lot of time to manage. Further, unintegrated systems offer don't provide the best payment terms to the business, which means that you're paying more to the credit card company than you really should.

But fortunately, there's a better way. By integrating this entire process, not only do you get the benefit of the great customer experience but you get the control and confidence that the day's receipts will be accounted for correctly, analyzed immediately, and ready for you to take action on—all at a price that's fair to you and to the payment provider.

Point of sale systems and payment options are not the most glamorous part of running a spa or salon. But when you're fighting for that next percent of margin, you'll be glad you have a system that's looking out for your interests.

89%

of companies use
Software as a Service
solutions in the cloud

Report and analyze—rinse and repeat.

As much as you still probably want to spend time on the floor doing what you love (and why you got into this business in the first place!), it's probably also true that you're able to help the business the best by using your expertise and insights to help guide and direct the organization. To do that, you not only need to rely on your gut and what you see, but the data that your business is producing as well.

For today's business leaders that means the ability to produce reports and analytics—on the fly—to make better decisions. Knowing the impact of a promotion or discount you're running, seeing how the new centers or salons are performing vs. their more established peers, understanding customer mix to know who to target next—these, and dozens of other insights are fundamental to providing a great guest experience and growing your revenue.

But the information is only as good as the system that's producing it. Does it take into account the multiple locations you have? Does it take days to aggregate the results, or just a few minutes? And do you need to hire a team to produce these reports, or can I look at them on my phone while I'm in line for coffee? All great questions, and in all cases, your technology provider should be able answer the "latter," not the "former."

Too often salon and spa owners and managers rely on their gut, their experience, and their eyes for too long. But as you grow and grow into multiple locations, multiple shifts where you're not there, and different types of treatments that you may be less experienced in, it's often times the data, not the things you can touch and see and know, that can guide you to make the right decision for your business. Ensure your provider knows what questions you want to ask, what data you want to get at to run your business. You're still the boss—think of analytics and reports as another set of eyes to make sure things stay on track.

It's all in the clouds.

There's not much software in our personal lives that's based on a laptop, let alone a server or a desktop anymore. Everything is in the cloud. We get automatic app refreshes, we subscribe to our software, we participate in ecommerce—it's all online, and none of it is on-site.

Unless your salon or spa is falling behind the times, that is. Yes, unfortunately there's still a great deal of desktop software prevalent in the industry, and if you're one of the businesses that's still using it, unfortunately it's likely stunting your growth and hindering the management of your business.

While cloud software is far from perfect, most systems today, including those purpose-built for the cloud and hosted by large cloud providers like Amazon Web Services (AWS)™ and Microsoft Azure™ have an incredibly high degree of uptime and reliability, not to mention automatic updates and improvements to the software that you don't have to install, let alone worry about impacting your business.

Even more importantly, the security, reliability, and scalability of software built on cloud technology for your spa and salon allows you to focus on your business and ensure a consistent guest and employee experience across your entire network and locations, rather than having to maintain separate instances of systems across your network.

From providing one-stop shopping to guests at any location, to redeeming memberships and getting loyalty credit across the network, to providing secure access to the data that runs your business from anywhere, investing in a cloud technology solution for our business is a surefire way to get on top of what's going on from anywhere you want to be.

Managing your operations may not be fun, but...

It's often the difference between good salons and spas and great ones. And we want you to be great. To do that, make sure you have a handle on things like optimizing employee schedules and inventory, know that your point-of-sale technology is working for you, not against you; get insights at the touch of a button from wherever you are that lets you make the best decision in time to make an impact. And invest in a technology platform that scales and works the way you do—one that's always improving and reflects the dynamic nature of your business.

Now, we can't ensure that you'll be successful if you follow all of these steps. But we can ensure that you'll have a handle on what drives your business, and trust us, that's a huge step to finding your greatness in today's marketplace!

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