

## **Salon Hiatus Phase**

### Managing sales while on hiatus

By now you may have exercised many options to drive sales while your salon has been closed. Here are a few recommendations to help manage cash flow.

1. **Gift Card Income:** If you have sold gift cards during the hiatus it is important to track how much has been sold and to whom. We recommend you hold onto all the cash and compensate the team when the salon opens for business again and the service is completed.

It is also important to keep cash aside to cover your back bar, color expense and credit card processing. Use the equation below:

January & February back bar purchase in dollars divided into January / February Service Sales. This is the percentage you will need to set aside to cover this expense.

- Back bar / color expense: \$4,000
- Service sales: \$40,000
- \$4,000 divided into \$40,000 = 10%

This means that 10% of gift card income will then be set aside to cover this expense when the gift cards are redeemed.)

2. **Retail Sales:** Many salons have offered curbside pick-up or called in orders to distributors to direct ship. Be sure to keep track of who purchased and update client files. If you offered curbside pick-up, then be prepared to restock your shelves with 50% of what you sold. For example, if you sold \$2,500 in curbside retail sales then keep \$1,250 aside to replenish your stock
3. **Discount Incentives to Book Client Appointments:** If you have offered clients an incentive to book their appointment for when you re-open be sure to track who took advantage. If they paid in advance keep as much of the funds on hand to cover payroll & payroll tax, back bar / color and credit card processing. Track how many appointments have been booked based on advance scheduling to know what your capacity looks like the first 4 weeks you are back to work.

### Maintain & enhance your social media presence

Now is not the time to be quiet. This is the time to be the leader that you are in your community. Get on Facebook or Instagram and go Live. Here are some steps to take:

- Share updates with your clients letting them know how you and the team are doing.
- Teach them how to take care of their hair while at home
- Go live and share about different products, highlighting one or two each day
- Walk through new health & sanitation steps you will take on their behalf

### Team connection

It is important to stay connected with your team- We suggest meeting a few times per week on apps such as Zoom, Go To Meeting, Google Hangout, etc. Keep it informal and light. The closer we get to a re-opening date this mode of communication can be used to have meetings with them to prepare to open again.

### Sales Analysis

In order to prepare to re-open, it will be important to have a good idea of what your average sales trends were before this hiatus. This information can help you to project ahead and plan for when you open. It will also provide valuable insight into how you are performing in the first 3 to 4 months back to business by comparing your pre-covid trends to post covid trends. This will show where you can bridge gaps. Review January and February to gain the following data. *(For each step below take the 2-month grand total & divide it by 2 to get the average):*

- Service sales for the salon and service provider
- Retail sales for the salon and service provider
- Gift Card sales for the salon and service provider
- Rental Income for the salon if applicable
- Number of guests per week for the salon and service provider
- Average Service ticket for the salon and by technician
- Average Retail ticket for the salon and by technician
- Service Mix *(What % of total services are each individual service. For example, Women's Cuts are 35% of total services performed in January and February. This is important because it will help you to see what services made up the highest percentage of your sales pre-covid. This can help you compare them to how you are performing once you re-open to help you isolate services that need a boost once you re-open)*

### Operational Improvements

A great step to take during this down time is to review, edit and create systems that support how you operate and run the salon. Here is a list of systems to consider

- Cleaning procedures (A sensible place to start)
- Front Desk systems & customer service scripts
- Consultation & retail systems
- Recruiting & interviewing
- New hire orientation
- Employee handbook
- Software training
- Team meetings
- One-on-One meetings
- Employee forms (warning notice, key release, vacation request, etc)
- Team training

### Inventory Counts

Complete a physical hand count of your retail and back bar / color. Audit these totals with your software to ensure accuracy and make any adjustments to minimums and maximums to that support sales trends and expectations.

### Client volume projections

Manage your books using the following:

- Schedule 50% of your gift card and pre-purchased services for each week of the first month you are back. Leave the other 50% open for paying appointments to provide a balance.
- Analyze each appointment booked by reviewing each client's last 3 visits. Look where you have relevant opportunities to add on additional services like colors, ultimate treatments, etc. Have each technician review their books and submit their add on and retail opportunities. This way you can see just how much opportunity exists based on the relevant recommendations they will make. Add up these totals by technician, by day and by week. Create a chart and launch a team incentive for who hits the highest % of effectiveness. This would be great homework opportunity to discuss and share findings on Zoom Team call. Have each team member prepared to share their goals. It has them become more accountable for their business.
- Attempt to book as many color appointments up front as you can to get their rebook in sooner. Ideally 65 % color to 35% haircut scheduling balance. Be mindful to not schedule as many blow outs in the first few weeks you are back to work to save room on your books.

For more information and resources:

- Contact your Brand Consultant or Brand Manager
- Go to MyTribe via [www.lanza.com](http://www.lanza.com)
- [www.lanza.com/covid-19](http://www.lanza.com/covid-19)
- Facebook: Lanza Healing Color & Hair Care page
- Instagram: @lanzahaircare