

## GMSB 179 Transcript

[00:00:00] **Antony W.:** Hey, it's Antony Whitaker here, and welcome to today's episode of the Grow My Salon Business podcast. Today's episode is going to be a bit different to how I usually do things because it's going to be part one of a journey, and I don't even know how many parts there are going to be to this journey at this point in time.

[00:00:17] **Antony W.:** But essentially, it's the journey of opening a salon. Now my guest on today's episode is Australian hairdresser, Daniel Di Iorio, and he's been in business for 11 years now, but he has made the decision to relocate and open a new salon from scratch. And what I've decided to do is, follow him on that journey and find out what works and what doesn't work, and all the challenges and frustrations and excitement that goes with the journey of opening a business. So, in today's podcast, we're going to discuss budgets. We're going to talk about interior design. We're going to talk about rebranding. We're going to talk about staffing and recruitment, and so much more. So, without further ado, welcome to the show, Daniel.

[00:01:11] **Daniel I.:** Hey Antony. It's a pleasure to be here mate.

[00:01:13] **Antony W.:** It's really good to have this opportunity to, have you on the podcast, Daniel. as I was saying before we started recording, this is going to be a very interesting journey cause it's not something that I've done before where, I've had a guest on, for repeat episodes to talk about how their journey is evolving, and I think that. That what you are doing, or what you've volunteered to do with me, which is to talk about the journey of expansion and opening a second business and all the challenges and stuff along the way will be a very interesting story for a lot of people. So the purpose of today's episode is really to, to sort of set the scene thus far. and talk about some of the, the hurdles and challenges that, that you've faced and how you've addressed them. and then we'll touch base again and, another sort of six weeks or so to see, how much further on you are with the journey of, opening another salon. So, Daniel, before we get into this, let's just start off with an overview. Who is Daniel Di Iorio? Give us your sort of two-minute backstory.

[00:02:17] **Daniel I.:** Yes. Thank you, Antony. looking forward to sharing this journey with you all. I'm Daniel Di Iorio. I am the current owner of Diior10 Salon, which as Antony explained, is about to have a bit of an overhaul, which will be called Di Iorio very soon. I've been in business for 11 years and I've been a hairdresser for about 16 or 17, but I try not to count as I get older. I currently have. Five staff under my wing, and the sixth person is my wife, who was

employee and turned, fiancé turned, wife turned, secret business partner. So we have a wonderful, beautiful local salon in a suburb called Bosley Park in Sydney's West. And, yeah, we're, we've been in business, like I said, in that location for eight years. And previous to that, I was renting a chair for three years and sort of built up to where I am today.

[00:03:09] **Antony W.:** Okay, fantastic. So 11 years in the current location or

[00:03:13] **Daniel I.:** So current location as a business owner has been eight, but I rented a chair there for a year before I took it over, and then the previous two years to that, I was renting a chair in another location.

[00:03:25] **Antony W.:** Right. Okay. I didn't know that, that you'd,

[00:03:27] **Daniel I.:** Yeah,

[00:03:28] **Antony W.:** Work in the business that you now owned for the, for three years before you then bought it off the owner.

[00:03:33] **Daniel I.:** A story that would make a good movie. One day was actually when I decided that maybe hairdressing was for me. I actually did work experience in that location for a week, and then when I applied for apprenticeships, I never got an apprenticeship there. And then, fast forward however many years and ended up buying the business of that owner. So funny how things work out.

[00:03:53] **Antony W.:** Yeah, exactly. So, okay, so you're 11 years in, in this current location, and now you have decided. That the time is right to open another salon. Well, actually that's not strictly true, is it? I mean, you and I have been talking about you opening another salon for a while, and this isn't another salon. This is relocation. It's not like a second salon, is it? That I am correct in saying that, aren't I?

[00:04:19] **Daniel I.:** That's right. Relocation. That's correct.

[00:04:21] **Antony W.:** So that leads to the question of, why are you doing that? Like why are you not hanging onto the business you've got and opening a second location? Like, why are you deciding to completely relocate and open a brand new business? Is there any thought behind that?

[00:04:40] **Daniel I.:** Yeah. I suppose I'd be very good at answering this question cause almost everybody asked you this question. Why are you choosing to move?

I suppose I'd have to wind the clock back from when I first moved into my location. I was young, I was eager, I was full of enthusiasm, and I signed a lease in a location that was far too expensive. Weighing over my head needed to be renovated, but it didn't matter what anybody told me, I was gonna make it work. and I started with a business partner, ended up buying her out. Kept grinding. Kept grinding, but always felt inside my stomach that maybe everybody was right. Maybe I shouldn't have taken on this uphill battle. fast forward. I sort of grew very distant with my landlord. Our relationship was very landlord esqued I paid him rent on time. He gave me four walls and a roof, and I worked in there and I. Feel like me as a young business owner felt that more could have been done with that relationship. I felt like, I'm in business with him as much as people are in business coming to my salon, I suppose. So I felt as though A, I wasn't getting enough bang for my buck in terms of everything around the centre could be providing for us. and B I felt like he just didn't really care and quite possibly in a very modest way that maybe I was just too good to be where I was. then covid hit. and that's when the distance really started to separate.

[00:06:10] **Daniel I.:** He, had opportunities to help people, which could have seen all of the businesses there for the foreseeable future and however long. and instead he sort of stuck to the bare minimum hid behind his managing agent. And that really upset me because we had lives on the line. We had people to feed and keep employed and so on and so forth. And it was about then where I said to, Laura, my wife, I just said, look, let's keep an eye open. and let's see what pops up. We're nearing the end of our lease agreement. Let's see what happens. And it turns out that here in Australia, COVID was very helpful for a lot of people and not as many commercial properties made themselves available. So we decided, okay, let's try and put all of that negative energy to the side and let's try and rebuild inside our four walls. So less than two years ago, literally we spent, I don't know. 50 plus thousand dollars on our salon renovation. And we did like a minor rebrands. we spent another 20 odd thousand on a website, changed our marketing approach and said, yeah, let's breathe new life into us. And this actually fell perfectly in time with the second lockdown of Covid. So we started renovating and we had five months or four months to do this full renovation. We rebuilt systems, processes, and we're gonna breathe new life into ourselves. And we did for three and a half months, we did. We were like this unbelievable team. We had this beautiful salon. No one had seen it and come in and enjoyed it and the new experience and so on and so forth. And then we just found that the stagnant feeling was coming back. And that's when we started to realize we're missing something here. and then. was when our negative hill started to come. So I'd been in business for eight years and never really had any other challenges other than the usual. and then I started to get resignations because people's perspective had changed on life. I had my first staff member do the runner, take the clients and block us on social media, so we dealt with that hurdle.

[00:08:02] **Daniel I.:** And then I went away for a L'Oreal business conference and heard all of these amazing guest speakers tell us about trends and young attitude and so on and so forth, and I came back home. And not even within a week. I had my youngest asset at the time, literally word for word, like she was at the presentation at L'Oreal. Tell me the reasons for her resignation and moving on. And I just, I lost it. I lost it. I couldn't compose myself and I just without swearing here on this video, I just said, we need to find something. Let's join the movement momentarily. Let's find something small and let's be small until it's time to go pick again. Because it was clear that., everything was changing society-wise. It was clear that everything was changing hairdressing-wise. And that's when we stumbled across a bigger project, ironically enough. And, yeah, we just entered some.

[00:08:50] **Antony W.:** So, you wanted to go small

[00:08:52] **Daniel I.:** I wanted to go small.

[00:08:54] **Antony W.:** Downsize and you've ended up going bigger, right?

[00:08:56] **Daniel I.:** Yeah. I think I wanted to go small because I mean, upon reflection, small seemed to be the easy option, when there wasn't much positive happening around me.

[00:09:06] **Antony W.:** Yeah. Okay. And so you fell in love with the location

[00:09:11] **Daniel I.:** Yeah. I think, I fell in love with the opportunity that the location was gonna bring us. I think. we've admired these types of locations from a distance before, and thought, wouldn't it be cool? And every time we visit a type of location like this, we always look at the quality of the hairdresser in there, or the quality of the barber in there, or the quality of even the beautician in our industry. And I just think how do these beautiful places end up with a business like that? And I suppose we're gonna discover a couple of those discussions. Cause it's a particular model. It's a particular business owner. It's a particular style of business that ends up in these locations and they survive. they survived for so long. Cause the location, the foot traffic, the research that these landlords have done in these places are phenomenal. And when we inquired for this place, I genuinely said to Laura, I'm like, just inquire because we'll get an indication of what they're gonna be charging for rent and more than likely it's already full. And that's when it flipped on its head, and they rang us within 24 hours and did not let us go from that moment. So, is it a mall or a shopping centre or like, like what exactly is this location?

[00:10:18] **Daniel I.:** Yeah, so I suppose for the Australian listeners, they'll definitely know of, a major business called Woolworths. So it's a shopping village owned by Woolworths. So the main cornerstone of the business is Woolworths, so it'll be a, it's being built as we speak. So it's still not finished, but it's literally a one-stop village. Woolworths is the main attraction. There's 20 stores surrounding it, plus a medical centre and a gym. So essentially, this location we are moving to has been one of the fastest-growing suburbs that you could ever imagine. And upon reflection and opening negotiations with these people, it was pretty clear that our opportunity to move there despite what the foot traffic and Woolworths could bring based on their research, it was also being surrounded by a demographic that suited us being surrounded by young families and younger. Just a younger demographic who we can grow with and be that cornerstone hairdresser in a growing suburb.

[00:11:15] **Antony W.:** Right. Okay. So, it was all about the opportunity of. Well, a, it's a mixture of being disillusioned with where you were and the support that you were getting from the centre that you're in and what that contributed to growth and an opportunity to be in a new environment with a whole lot of new businesses in an up and coming area that presented a potential for a lot more growth. would that sort of sum that up? Yeah.

[00:11:41] **Daniel I.:** Yeah, definitely. And I mean upon learning that it was still extremely important for us to remain grounded and reminded that the business in the current premises we were, has served a wonderful purpose for eight, nearly nine years now, and the business still has the to continue Well there. So we didn't want to, we didn't want to begin negotiations with the new landlord without thinking we look, yeah, we just had to be aware that we didn't want to lose what we had unless we knew what we were going to gain was going to outweigh that. And I suppose if Covid didn't come around and our industry wasn't going through a version of a challenge, we could have possibly expanded into two. But it's just not the economy, and it's just not the time to make that. So once we started this negotiation, we remained grounded to say, Bosley Park is our home.

[00:12:36] **Daniel I.:** However, let's negotiate with these people and let's see what we can gain out of these negotiations to see are we actually going to do that? Because I think it's extremely easy to say all the things you hate, and then when you have an opportunity on your plate, the first thing you ask yourself is, well, well, big boy, you talk a big game, but are you actually gonna do it now?

[00:12:57] **Antony W.:** Okay, so, how far apart are they, the existing salon onto the new location?

[00:13:01] **Daniel I.** Exactly. There'd be between, I think it's about 18 kilometres apart.

[00:13:05] **Antony W.:** Okay, so, I'm going to, I'm going to take a guess and say that's about 10 or 11 miles. For our non, for our English listeners and American listeners, I think they'll still talk in miles. Okay. So that's a long way.

[00:13:17] **Daniel I.:** Yeah.

[00:13:18] **Antony W.:** That's a long way. So are you worried about that? That like you are, you're essentially closing one business and opening up another, 18 kilometres or 10 or 11 miles, whatever it is, away, and you're obviously hoping. That your existing clients come with you, like has, how has that played on your mind, making that decision? Cause it's a big step. It's not a mile or two, a couple of miles. They're all going to come, 10 miles. That's, that's a big, that's a big ask.

[00:13:42] **Daniel I.:** I think at first, Laura and I, we had these discussions before we involved the support of our parents. We're still young. I'm 33, Laura's going to be 29 this year. We're still very young, we have a little girl, we have a mortgage. So, we're quite aware that these decisions are going to impact quite heavily. So when we had the discussion, we said, let's run the numbers as if 50% of people are going to follow us,

[00:14:07] **Antony W.:** I've got a visitor here. Just ignore him.

[00:14:10] **Daniel I.:** Hey, is that interesting? Everybody wants to hear. So we look, we ran the number based on 50% of clients following us. And based on that, we also tried to map out what we think the potential of who we could welcome into our business as well. And I suppose there's an element of. At any one time, there's probably give or take 10 to 15% of people who have already left your salon mentally, but physically haven't found the right reason to do so.

[00:14:39] **Daniel I.:** And we learned that through Covid, right? Because we lost all these regulars. We're like, where'd you go? And we met all these new people and they're like, yeah. Good time for a change. So we sort of embraced that, but then we also sort of understood that some people might already be traveling from there.

[00:14:51] **Daniel I.:** Some people might be traveling 17 kilometres from the other side. It was just too many different algorithms. So in the end, we said, let's say we lose 50% of our business and we're going to knuckle down, and we are prepared to work six days a week for however long to get it back to where it is.

Then we begun to weigh up the benefits of the actual location. So once we started to look at those numbers, we were still confident in our ability, provided that the negotiations were going to go in our favour, that we could make it work. Yeah.

[00:15:18] **Antony W.:** Okay. I've got a few questions around did you get a rent free period at all with the new premises? Is there any sort of, easing in of that to try and offset that transition?

[00:15:28] **Daniel I.:** No. So essentially, we're negotiating with a big company, right? So their contract was enough to make you question everything really. Because once you start reading, I mean, you pay your solicitor to read it, right? And he reads it to you and you start weighing things up, you're like, okay, there was not a rent free period.

[00:15:45] **Daniel I.:** I reckon there's nearly \$15,000 worth. Onboarding costs alone, you've got to pay a tenancy coordinator, you've got to pay an opening fee, you've got to pay this, you've got to pay that. So, if anything, it's quite the opposite. In saying that there are some extremely strict. Guidelines, in terms of the fit out and in terms of conducting your fit-out in a certain period.

[00:16:08] **Daniel I.:** And should you be able to do that successfully, you will receive quite a hefty and helpful, lump sum upfront inclusive of them paying the g s t of that for you as well. So, provided that we meet the expectations of the fit-out guide and provided we are open on day one, fully stopped, they will co quite a substantial amount of money back towards your fit-out or your onboarding or

[00:16:31] **Antony W.:** Okay. Good. Good. All right. so what was I going to say there? Gosh, there's so many different areas. This conversation can go often. are you selling your existing location as a salon? like, like how are you approaching that? Because you and your team are moving, 10 miles away. so some of your people aren't going to go with you, some of your clients aren't going to go with you, and maybe some of your staff won't go with you. I know you said you were nearing the end of the lease, on your current location. have you seen that as an opportunity? And you also said that you'd spent, I think you said 50 grand on a refit, 12 months ago. So, when you think of the electrics, the plumbing, the wash basins, all that sort of stuff, what have been your thoughts about how you can try and offset some of the investment in the new space by selling the existing space potentially as a salon? I mean, I'm thinking back to, you said to me, that you started there as a stylist and you ended up buying it with someone else as a partner. Has there been any consideration for things like that, or is that the last thing you want to have one of your existing staff to take it over?

[00:17:42] **Daniel I.:** Yeah, I look, I'm, I'd like to think that I don't really feel threatened by any sort of anyone else coming in as opposed to take the place or anyone who's been a part of it for that matter. I think for us, the most expensive thing that we could have, was hope that someone was going to come in and hope that someone was going to buy it and hope that someone was going to take over our lease and so on and so forth. In terms of how the new lease has come about, our lease is supposed to finish in June with my new centre is supposed to open in May. So, as we as it stands, we have advertised the FITOUT as an opportunity. Essentially, I'm looking for me 11 years ago. guy who come in and was renting a chair and thought I was way too big for a chair, thought I was going to build 10 minims and I'm going to take over the whole world right here.

[00:18:30] **Daniel I.:** Come in, just get out. I'll paint the walls, gimme the basins. I'll start making money tomorrow. you would think that person exists a little bit more considering. The circumstance of a lot more rented chair people or people working at home, maybe people looking to expand. It doesn't seem to be the case at the moment. In saying that, though, the investment that we put into our fit-out and our website, is the main reason we turn the head of our new landlord. And that investment has already paid off as far as I'm concerned. So if it does get to June and nobody has come up and said, I'll buy your fit out of you for \$10, and let me take over. I'll sell all the stuff individually because none of that's coming to the new salon. I'll return it to zero or lock the key and move forward into the next chapter knowing that's just what it's meant to be for me so.

[00:19:15] **Antony W.:** Right. Okay. Okay. Have you had offers, you had people.

[00:19:19] **Daniel I.:** Look, I look, I have had a couple of people, I've got it on line with the broker. So the broker does his job as best as possible. I have had a couple of people that I speak to, within the community or at the gym and whatnot, but you know, we're still in a tough economic time as well, and the opportunity is there, but I think people shy away from it when they find out that the team is following and. I think today, it takes a lot more than 17 kilometres for you to find a new hairdresser maybe. So they would be feeling that as well. So if it's somebody from the outside looking to come in as an investment and just get some people to run the business, they need to still find a team. And if it's somebody who's renting a chair in a garage or whatever it may be, we still haven't found that person to come in and see the value in taking over that.

[00:20:06] **Daniel I.:** So, yeah, like I said, investment of the fitout. and everything that we did was the reason why we were able to turn the head of the agency in charge of trying to fill the location. So as far as we're concerned, it's paid itself off and if push comes to shove, gets to the end of it and we can't get rid of it, I

think those salon mirrors would look beautiful in my daughter's bedroom. And that's what it is. You know what I mean?

[00:20:27] **Antony W.** Yeah. Okay. I should mention you said Woolworths with a landlord. Woolworths is a global brand name. Everyone will know it. However, Woolworth's, Woolworths Australia is a very separate entity to Woolworths in the UK, which went bankrupt. And I don't even know if Woolworths in the United States exists anymore either. but that is where, the brand name originally started. and their presence in the Australia retail market is significant. it's not like the Woolworths of old for our, listeners. okay, so tell me about this new salon location. I know that you are very well connected and lucky. In terms of family contacts, et cetera, for, design and fit-outs and all that sort of stuff, which certainly helps, but with this new location, so it's a new build, the centre, which is great. So, in terms of, I don't know, internet and plumbing and electrics and everything, it's all going to be up to code. It's going to be state-of-the-art stuff ready for you to move into, what sort of budget have you set aside? For a salon fit-out, just ballpark.

[00:21:35] The budget and what it's going to be are two very different numbers it seems. but you can expect that I've never hired an interior designer before they've got expensive, beautiful tastes, and when you see expensive, beautiful stuff, you do fall in love with it. We are quite modest in our approach. However, I don't feel like having a \$500,000 salon is the reason why people come to visit you. we did budget about 150 and keeping in mind that my brother is actually a shop fitter, so not that he does anything for free, but we do less of a margin to deal with there. at this point we haven't finished getting all of our quotes in.

[00:22:15] **Daniel I.:** The builder is finalizing that this week, but it does look like it's going to be about 200 plus. that is before we have decided to cut anything back before we have confirmed finances available and so on and so forth. But, I think once you see something come together and it's practical and it's beautiful. and you know that you can bring a team ethic and culture and an experience into that location knowing that we've signed away one deal to bring in a new deal that would possibly cement our future. I don't think you need to go overboard to spend \$400,000 because it's got that much emphasis, but I do think it's important to do it right because the worst thing that you could do is two years from now and think, man, I wish I put that zip tap in there so I could serve people soda water, or, I wish I put that bar fridge there for the little beers that we wanted to serve, or whatever it may be.

[00:23:11] **Daniel I.:** So, we, we built it based on absolutely everything, including a dishwasher, because no staff member wants to wash up the coffee cups at the

end of the day, right. And if we need to peg back in any area, they are some of the necessities or the little bits and pieces that you could go back to manual labour to manage and reduce your costs from there.

[00:23:29] **Daniel I.:** Okay. now I'm at an advantage to our viewers or listeners in the, I've seen the, the architectural drawings, et cetera, of the new salon design and, It looks fantastic. I mean, it doesn't look cheap, so it doesn't, it doesn't at all surprise me. When you say a couple of hundred grand, that's Australian dollars. So, what would that be In US dollars? Do you know off the top of your head? I'm going to suggest, it's probably going to be about a maybe 130.

[00:23:54] **Antony W.:** Yeah, I was going to say something like that. 130 US dollars. So, great British pounds. It's probably about a hundred thousand pound fit out. so, significant amount of money. now I don't want, listeners to think I'm being insensitive. I've given you every opportunity to get off the hook here, and to say, I don't want to talk about this, or I don't want to talk about that. So I don't want people to think I'm being insensitive, but I just want to ask you about how you are financing it, because I know finances are. a personal thing, but again, I think there's lots of lessons in there. So is it like personal savings? Is it bank loan? Is it family money? Is there other investors? How have you got that sort of money together? Because a couple of hundred grand is, a significant amount of money.

[00:24:35] **Daniel I.:** Yeah. I suppose I should start by saying, allow me to finish the sentence. I really need to thank my parents, right? Because they pushed me at a young age to invest into property, and I sacrificed a lot at that point in my life. I was on a hairdresser's wage, paying a mortgage, bought a business in the same year. Probably couldn't pay myself a wage for however long, but I managed to buy a house at the right time before a particular boom. I sold it at the right time and bought my house that I currently live in now at the right time, and as a result, equity has been quite favourable in saying that. Given the current circumstances, as business has unfolded thanks to the last couple of years, not every bank is really going to turn their head because if your statements aren't where they need to be and your taxes haven't been sufficient enough, you're right to come up with \$200,000. It's not essentially easy. So before we started to explore our options, we had to sort of. Seek a version of security, maybe support through our parents. and once they never really said, yeah, whatever you need, but they did sort of say, there's no issues, just go for it and it's better if you can do it yourself and sort of in the last week and a half, I've been working with a client of mine who is actually in financial strategy and, helping you achieve your goals. and the bottom line is you just got to put your house up and you got to go for it. And, my response to that was every day I go to work and my house is on the line because we need to make those covers. So if we have an opportunity to use our equity. And we have

an opportunity to create a tax dividend and a tax deduction from our business by extending that into a loan. We knew that we were going to need to do that, and we can get that loan and we can work that off. And at the end of the day, you know what my dad says to me?

[00:26:21] **Daniel I.:** He goes, you got two options. When you expand. You either expand, you make a lot of money and you pay tax on it, or you expand, you get a loan and you pay interest on your next asset. And when he said it to me, I said it to my wife, it made complete sense to me and I said, this is it. This is an opportunity to expand and I don't need to increase my wage to expand. I need to buy an asset and I need to expand into a direction that I can see it being infinite. From there and I'm going to pay interest on the loan and build that credibility because I'll be on time and I won't be on time because I owe the money. I'm on time because it's our livelihoods. We're both in the same business. I've got a little girl at home. We're hoping to expand our family. And, that's our responsibility. We go to work. we pay ourselves off. We pave a path for the future. And, for me, at the end of the. I don't know. You always ask your parents about a story about when they were grinding and they were up into debt, up to their eyeballs, and you look at them now and you think that's that perseverance and that coverage and that leather skin that you build by doing these things.

[00:27:19] **Daniel I.:** So we had no hesitation to do it and thankfully we're able to do it and that's where it comes from. I'd love to say I had 200 grand lying around, but it's definitely not the case. Not today. Anyway, that's a joke,

[00:27:29] **Antony W.:** Yeah. Okay. Alright. in terms of the size of the salon, how many chairs, how many positions will be there and the new one.

[00:27:35] **Daniel I.** I'm going to have eight chairs and four basins, which is actually one less chair than what I've got in my salon at the moment. but. As much as that might sound like it's not really an opportunity to expand. I do have full intentions provided that the salon team model makes a comeback in the next five years to be able to offer a lot more flexible working rosters for people. So, having eight chairs and four basins, you could only ever have six or seven people working there, plus a couple of assistants. It's totally fine to still expand your team. I, we just see our future in a position where we'd expand our hours and have rotating rosters and flexibility for people and still be able to hit the heights of 10, 12, or 15 staff and still be able to work at a margin that works well with eight chairs and four basin.

[00:28:22] **Antony W.:** Okay. in a complex like you are moving into, Were you told the hours and the days that you have to be open? because I know in a lot of

malls, for example, they say you have to be open every day of the year except Christmas or whatever, and you gotta be open late nights. Until this time, did you have any stipulations like that put on you?

[00:28:40] **Daniel I.:** Yeah, they attempted to, and that was, I think I alluded to it a little bit earlier about being firm in our negotiations. They wanted seven days a week. They wanted public holidays, they wanted, I mean the core hours are the core hours. but when I was speaking with the managing agent in charge, I just had a real good heart with him and I said, look, you've come across us. We've applied, you've seen my Google reviews, you've seen our website, you've watched our experience video. You've rung me to tell me that I'm the business that they're looking for. You've showed me the contractor to say that they're looking for assets and they look for ways to make passive income. It's not right for them to say, to make passive income on us and tell us how to run our business. I said, if I'm coming, I'm leaving a private premises. I said, my staff do not work between Christmas and New Year. My staff do not work on public holidays, and we definitely do not work on Sundays. I said, you got a hard time trying to get 'em to work Saturdays at the moment. I said, and at the end of the day, the quality that you've seen online or our work on, our following, and so on and so forth.

[00:29:39] **Daniel I.:** It's too hard to be able to maintain that standard in people who don't want to be there on a weekend. I said, so at the very least you can pitch to Woolworths that they have my word. If my business is suffering, I will be there every minute possible to make sure it survives. In saying that they have to trust that I know what I'm doing. I've been in business for eight years and we can work. Well, I was currently working five days a week. Now we have to go to six days a week. We're dropping a late night, but I made them stipulate in a contract the five public holidays that we will not open on. We finished at 2:00 PM on Christmas Eve and we come back on the 2nd of January and there's no questions about it.

[00:30:16] **Daniel I.:** And we went into a ballot. There was seven other hairdressers trying to get the spot, and he rang me and just had this chuckle on his face. He said, you are the only hairdresser who asked for all of these wildest terms, and they are the only. They only wanted you. So, I think it was a good moment for us to put our foot down and say, well, if you, if we're coming, this is how we're going to run our business, and you have to trust that's going to work. So really thrilled to be able to do that. But yeah, we do have to open a sixth day now, which is Monday through to Saturday. And now we only work one late night in the new centre. So,

[00:30:47] **Antony W.:** Right. Okay. So with, I mean cause eight chairs isn't a lot, but you had the opportunity to. Have revolving shifts and to have, because as

you're alluding to the business model of today and getting people to work Saturdays and Sundays and late nights, et cetera, is more challenging than ever. But, you don't pay any more rent to be open more hours. So should the opportunity present itself and you are bursting at the seams, you have some flexibility there to expand your opening hours and even opening days should you wish to going forward. So that's interesting. Okay. relocating and starting with a blank sheet of paper because I've seen your existing business. in real life. I've seen pictures of it, et cetera. and I've seen your new business and understand, that it's a different, proposition so to speak. did you consider sort of completely reinventing your business model? Because you've alluded to a couple of times about the challenges today with the employee employer model and more people wanting to be freelance, et cetera. Was that something that you thought, okay, here's a chance to completely reinvent what Di Iorio Salon is all about and to come at it from a different way? Because sometimes it's easier to make big changes in a new location than to try and evolve and change your existing location. So, so tell me what sort of thought process has gone on there.

[00:32:17] **Daniel I.:** Yeah, so I think the first thing that should definitely be stated is that you can't get addicted to the idea of changing everything. Because a lot of it is already working. And yes, you get a new location and you're like a kid in a theme park, you think, yes, oh, we are going to, we're gonna revolutionize everything. Right? And I feel like no idea is a good idea. when it's in your head. And what I mean by that is when I talk to myself, I am the legend. There is no one else talking to myself. It's my voice. Everything I say is perfect, right? But then I have an exercise where I get that thought on paper and then I try to say it out loud. And that's even if it gets to paper. Cause sometimes you try to write it and you think, hang on a second, I'm not making sense here. let's take some time to think about it. So yes, relocating was like, oh my God, this is brilliant. And I started by watching, Mini-series on Apple tv, about WeWork, and I didn't know why I was watching it at first, and then by the time I got to the end of it, I thought, this guy is me.

[00:33:25] **Daniel I.:** He's just got 1,000,001 ideas and he never just sticks to one and makes it work and never solidifies what he's trying to do. So we have to reinvent what we do because where we are current. We do not welcome walk-ins. In fact, we don't get walk-ins. We're a boutique style salon. We're affordable luxury. We do beautiful hair, but we're hairdressers. We're not just balayage artists. We're not just cutting experts. We are hairdressers. We do all hair except perms. Very clear about that. But we have to now go into a location where we need to welcome walk-ins because we're going to be in a foot traffic location, so we don't really want to. Change our experience, but we do need to change our model and our systems and our processes to welcome that. Furthermore, to that, I built my business on the back of reading 1,000,001 business books and watching

1,000,001 things, and listening to all these podcasts, and sometimes even I look at my shit and I just think, why have I got so much text on a piece of paper? Who the hell is going to read that? So it's a good opportunity for all of us to review. All of our systems in our processes and update our client manuals. Furthermore, to that, we're going to modernize everything. We're going to start to bring in tablets. We don't have a reception counter in our new salon. We're going to be reinventing the way that we do our onboarding process and our education with our staff. A lot more video content and so on and so forth. So, Yeah, I mean, the short answer is you don't need to reinvent everything to move because we are already in business and we are already successful and we are very much aware of that. However, A new salon needs a new team, and I don't mean, I don't mean by new staff. I'm not looking to fire everyone and get everybody on board. I'm looking to take the people who want to feel like they're starting again and who want to be a part of something new. And the asset that we have is that we believe in ourselves, I believe in my team, and most importantly, I believe that the changes we are going to make are going to be rewarding and successful for the new location. not to the point that it hinders our ability to survive, if that makes sense.

[00:35:29] **Antony W.:** Yeah. yeah, definitely. all the team coming with you. I mean, again, 10 miles, 18 k, whatever you said it was, it's a significant distance. are they all committed to making that journey?

[00:35:39] **Daniel I.:** Yeah, definitely. I mean, I hold regular team meetings and appraisals and so on and so forth. So since the announcement of the new salon, I have had one resignation, and have since been able to replace that resignation with two new apprentices. So as the team currently stands, as far as I know, before the next set of appraisals, which is due to take place, end of February, yeah, everybody's on board and everybody's in tune and we're communicating it well to our customers. The two new girls that I brought on we're very clear. We have a six-month training plan to get you where we need you to be. And then once you get over there, you'll be guys, you guys will be ready mate, to welcome the walk-ins and get those bums on your chair and start your future. Or your career, I should say, at Di Iorio once it's open. So yeah, at this stage, everybody is following

[00:36:25] **Antony W.:** Okay. couple of things have come up in, in my head as you've been talking. one of them, you just said that you're not gonna have a, I forget the word you used, you didn't say reception desk, but you meant a

[00:36:35] **Daniel I.:** A reception counter.

[00:36:36] **Antony W.:** Reception counter. so what are you having? Are you having a desk-less like a concierge, roving receptionist or something? How's that?

[00:36:44] **Daniel I.:** Yeah, essentially. I mean, we have a product shelf in the front of the salon, and there'll just be a little area where. Monitor can sit. when clients welcome. We actually have a colour island in the middle of the salon, so where we mix, we'll also segue off into a nice long bench space for people to sit and wait. But the approach will be, I mean, it's always a space. Waste stuff and I feel like it's where people crowd, so we wanted to reduce that. But I think we also, like, we also changed our point of sales software to someone who was more forward-thinking and has the ability to use a better cloud service on an iPad. So we thought, I think the experience would be much nicer. it's always in that training, right? the service is finished the moment you take the cape off, but then we still need to go up and take their money off. Why can't we finish the service? Sure. The Cape might come off, but we can do that at the chair. We can process that. We can organize their next appointment. We can say goodbye. We can pack their product. They can leave their chair and walk straight out the door without having to feel like they need to lounge around the front desk Yeah.

[00:37:43] **Antony W.:** Will, will there still be a person who has that role or will let individual stylists do that themselves?

[00:37:50] **Daniel I.:** Yeah, we would like to keep it so at the moment we really try to keep it personally, we still don't have a front of house or a reception in our salon. It is a huge goal of ours, but as to get an income to a point where you can pay that out and have someone have a role and a responsibility without generating hands-on income hasn't been a goal that we've been able to reach, but it is a vision. More than likely, it would start with me as my journey begins to sort of get back from cutting hair and start to be managing a business. And I think once I'm running that role, I can then create a role description for it. I think every time I've tried to sit down to think, okay, what does this look like? I dunno what it looks like, cause I'm too busy doing this and doing that and doing this and doing that, and then looking here and not really focusing on it.

[00:38:30] **Daniel I.:** So, the goal is that yes, we would have a front of house or a concierge or a salon, coordinator. For, for better words, but the role hasn't been created yet and it is a future vision, and that vision might come to life when someone comes to work and says, boss, I'm having a baby. It might come to life when, Laura's finished being at home and says, I want to come back, but I haven't coloured hair for so long. What can I do when that comes? Yes, the person will be a floater and they would have several roles within the salon, and it'd be all

about keeping that culture and that experience high and efficient for all of the team as well.

[00:39:03] **Antony W.:** Yeah. Are you using the opportunity when you relocate to a very much a brand-new looking business? Are you using the opportunity to change the price point? Or are you essentially thinking it's going to just, be essentially the same price point in a new salon?

[00:39:19] **Daniel I.:** No. So we, going back a little bit, we took a really modest and conservative approach coming out of the backend of Covid, and we made other alterations to our service menu rather than putting our prices up to match inflation. so we actually haven't had a full-price review for just over 12 months, which is never happens in my business. in saying that we're actually about to launch a new version of a service menu. Starting, from February, which sees a price increase in styling and cutting the colour services, though, we're going to begin using salon scale and start to introduce a unique tailored pricing service where we are only charging based on what's being used at a percentage on top of what we've purchased. So, services themselves. No for colour, but we will be charging for product usage on top and then the cuts will go up their usual pieces of inflation. We have a tiered pricing system as well, so I think the main focus is, I'm just trying to find the best way to word. Emerging Rising, you know that late apprentice who has their own service menu without the customer shying away, which kills me, right?

[00:40:31] **Daniel I.:** Because tomorrow they could be a senior, but today they didn't want an emerging talent to do their hair. And then tomorrow they're very senior and all of a sudden they get that next price and that brand. So the focus was sort of being, trying to make that more enticing because they are talented and they do deserve that opportunity. Having the senior as the tier, and then myself and Laura sort of being in that specialist tier or salon director tier and breaking it up like that.

[00:40:55] **Antony W.:** Got it. Okay. last point I wanted to ask you about was, retail. so again, how important is the retail side of the business in this new salon space? Because I know. the, that, one of the reasons why you spent 50 grand doing a refit on your previous salon was because you wanted to get retail, up to 14% or whatever, and that where it was located at that time, there was no. It just wasn't part of the client journey, so to speak. So, so you consciously moved it up there in the front door, et cetera. So I'm curious about, how you see retail fitting into this new business model. Because again, as we've been talking about changing technology, et cetera, et cetera, there's a lot of people talking now about retail being more of an online thing and, some people are developing their own

e-commerce platform. or their. Maybe not as motivated to have Insell on retail as they were in the past. So how's that fit in with your model?

[00:41:53] **Daniel I.:** Yeah. I always try to keep that as a focus in our salon. There have been multiple changes of late with the online world-dominating, but we still do believe very heavily in our salon that it is part of your experience, it is part of your education. And when I do team training sessions with the team, I always reference a physio or a dentist or whatever it is. You go in there and you learn a lesson and they give you a recommendation and you don't even. You think, sweet, I need that toothpaste. I'll take it. Gimme two tubes, let's go. So we really try to still keep that at the forefront of our mind as part of the experience and the educational part of what we do. Furthermore, to that, we are the only hairdresser in this place. So we currently only have two lines of products. We are looking for a third, and we currently don't distribute hot tools all that often, but we're definitely looking to bring in hot tools. And then also we're looking to bring in brushes and cones. And I think it's important to start with that intention. And if we feel that's not working well for us, then we can always peg that back. But if we get in there and we lose that opportunity, especially with all those coming in for the first impress. And we don't appear to be the go-to or we have, or you can get Salon, then we may miss out to capitalize because I think in a shopping centre where there's only Woolworths and possibly a chemist, we are expected to have the top tier options and we are expected to cover multiple price points as well. Because not everybody wants to spend \$110 on a shampoo and a mask. Some people like to spend, 50. And get a shampoo, conditioner and so on and so forth. So definitely want to keep it at the front. Definitely a huge part of our salon experience and the education side of what we do, and very much aware that we are going to be the go-to salon in this location. So we best be prepared for it and always be fully stock, I suppose. Yeah.

[00:43:42] **Antony W.:** Good. Good. Okay. so last thing I just want to ask you about is that you mentioned that this is the first time you'd worked with a, interior designer. And, I'm curious about, I'm not quite sure how to answer this question. sometimes I look at salons that have been beautifully designed and then you put people in them and they don't work. and so you as a hairdresser, been in business for 11 years, you have an intimate understanding of the client journey. and how people move around a salon and what works and what doesn't work. However, when you get a interior designer, an architect. Whatever you want to call them to design a fit out, they don't have 11 years experience and a hairdressing salon dealing with clients and staff and the practicalities of everyday things that run a salon.

[00:44:34] **Antony W.:** And I've seen a lot of times where people. Get, what's the word? Seduced into a design aesthetic that looks great on paper, but then six months in certain things have had to change because it didn't work. So I suppose the question I'm asking you is with your designer, were there any, did you have any challenges along, that way of. Implementing the practicalities that you want, and at the same time, making it look great, because it definitely looks great on paper from what I've seen. yeah. So I'll stop talking. you tell me what the answer to that is.

[00:45:18] **Daniel I.:** So I think it's important to mention first of all, that the interior designer that we've approached, this would be her, I think she said to me maybe 14th. Hair salon that she has designed. So it was only by chance in saying that, because I was at family dinner, I was having a general discussion. Everyone was asking, what am I up to with the shot? What are we looking for? And I just, I said to my sister-in-law, I need an interior designer. She said, oh, why don't you call I looked her up, turned out she'd done one of the salons that was on my inspo board, and I thought, great, let's call her. I think it's been enjoyable to work with someone who has a vision of beauty. and also understands space. And what I mean by that is, even today I said to her, Hey, we need to tweak something before it gets sent off to council because I don't like this and this needs to be improved. And there she said, well, I need to check this measurement, because from here to here, we need to have at least this much space for comfort and casual and crossing over.

[00:46:13] **Daniel I.:** And so, I think when you have someone who understands that element and you combine that with not one, but two. who are trying to design a salon. You can create something beautiful. Yes, it's beautiful on paper. I keep telling Laura, I think back to, the movie The Founder, the McDonald's movie, and my favourite scene is when they go to the tennis court, and they draw it on the tennis court.

[00:46:36] **Daniel I.:** Oh yeah. Yeah. Brilliant. phenomenal. Right. When we visualize that, and we sort of try to embrace that mentality. If you come to our current salon and you see our new salon and the layout, it's very similar, but it's very different. And the elements that we changed for argument's sake, our colour island in the middle, yes, my staff, they're going to get a kick up the bum cause all the messy tubes and all the bullshit. you can't get away with that. Now. It's in the way, it's in the. But we took the colour bar away from behind the basin area because I can't stand the chit-chat behind the basin area. So we've made improvements to the way we are going to operate and there's going to be an adjustment because I've got staff who have always done it this way and now we've gotta go here and figure it out this way.

[00:47:20] **Daniel I.:** But we have every belief that the layout that we have is going to be fluid, it's going to be enjoyable, and it's going to be spacious. Our mirrors are 900 wide, so I'm almost certain that the distance between clients is, off the top of my head, it might be one and a half meters, 1.6 meters. So quite spacious. Still having elements of luxury. But still set up to be a high-performing salon in what we hope to be a busy environment too. And yes, it's going to take an adjustment and it's going to take an adjustment for me because I've renamed some certain areas and every time I come out and say the basin area, well it's not the basin area anymore, it's called the shampoo lounge.

[00:47:56] **Daniel I.:** And we need to remember that shampoo lounge. And that comes from me too. So I think if I'm leading from the front with the adjustment, and I try to keep my frustrations with the changes on a low I think the adjustment will be smooth and then time will tell. Fingers crossed though, I built it so it would last seven years, so let's hope so. It lasts seven years.

[00:48:14] **Antony W.:** Yeah, exactly. So, no dispensary. It's now all open. colour Island in the middle of the salon. So, there'll be an open dispensary, right? Good. Okay. Right. Okay. Well, listen, this is, this has been really interesting. our commitment to each other is, I'm going to talk to you at least two, if not three, possibly even four times. This year, on the podcast because we want to see how this journey evolves. We want to see what works and what doesn't work, and what you've had to change and what the frustrations are. And who knows in today's world with, the way things are with the economy and. different business models, et cetera, et cetera, et cetera, as to how this will evolve.

[00:48:50] **Antony W.:** And I think that's where the interest will be, with people. So today has been, what we've been talking for, I dunno, about 45 minutes or so maybe the future ones will be a little bit shorter as we sort of touch base with you and get a progress report, but, I'm intrigued, I'm sure you are intrigued to, to see how this journey evolves, with all its ups and downs. So, Daniel, any final words before we start to wrap up?

[00:49:15] **Daniel I.:** Oh, you know what? Not really. If I've inspired anybody out there who's had these thoughts for a while or anybody out there who's considering business, I think the biggest lesson that I learned, and excuse the French, but your landlord will always have you by the balls. It's very important. And if my mom does listen to this, which she probably will, she'll think back eight years ago when I signed my first lease. Really take your time, find your location, and there's still no guarantee that my next location is the right location. But getting into business is not just the commitment it is. Literally becomes your life, and you are governed by what those dot points are on that contract. And it's

not all about the dollar sign. It's not all about what your overhead is, it's about what the value it can bring. Because the reality is if you get yourself into a location, and you're trying to run your business to the best of your ability and your surroundings aren't helping you, you're going to look to get out. And the moment we had an opportunity to get out and we signed the deal, the first thing I said to myself was, fuck, we have so much work to do, everything from moving the internet supplier right down to rebuilding the systems processes and commuting those clients.

[00:50:31] **Daniel I.:** And it takes a lot of courage. And I'm aware of that. And I'm not saying it to boast myself, but I do find myself. Constantly reminding myself that we are good enough to do this and we can handle the workload and we can survive the next move. So, my message is simple. If you're going to move, take your time to think about it. If you're going to get into business, take your time to find the right location. Cause once you're there, it does, it's you're there full stop. So really factor in all of those elements before you make those decisions.

[00:50:59] **Antony W.:** Okay. where can people connect with you on Instagram or other social media channels or websites so that they can, look at who you are and what you've been doing?

[00:51:07] **Daniel I.:** Yeah, so I'm on the salon Instagram most of the time. that's gonna be Diior10\_salon.

[00:51:14] **Antony W.:** do you want to just; do you want to spell that out for us? Because you spell it in an unusual name and an unusual way.

[00:51:21] **Daniel I.:** so, D for Daniel, double i o R one zero. underscore Salon is my Instagram handle. and that's about the only active place you can see me really. I do have a personal one, but you've got a much better chance of reaching out, on my salon page for sure.

[00:51:39] **Antony W.:** Okay. Fantastic. Alright, well look, I will put that link, in the show notes for today's podcast. if you're listening to this podcast with Daniel Di Lorio and have enjoyed it, do me a favour, take a screenshot on your phone and share it to your Instagram stories. so to wrap up, Daniel, thank you so much for your, honesty today and openness and willingness to share. and I think that as we, revisit your journey. During the course of 2023, it'll be really interesting to see how it all evolves. And I wish you, nothing but the absolute, very best of luck with it. so, to wrap up, Daniel Di Iorio, thank you very much for being on this week's episode of the Grow My Salon Business podcast.

[00:52:15] **Daniel I.:** Thank you very much, Antony. It's been amazing.