

## Episode 193 Transcript

[00:00:00] **Antony W:** Welcome to the Grow My Salon Business podcast, where we focus on the business side of hairdressing. I'm your host, Antony Whitaker, and I'll be talking to thought leaders in the hairdressing industry, discussing insightful, provocative, and inspiring ideas that matter. So, get ready to learn, get ready to be challenged, get ready to be inspired, and most importantly, get ready to grow your salon business.

[00:00:29] Hello, and welcome to today's episode of the Grow My Salon Business podcast. I'm your host Anthony Whitaker, and as I always say, it's great to have you here with me today. Most people that listen to this podcast are salon owners, but I also know that we have an incredibly varied mix of listeners from over 70 different countries that regularly tune in from all over the world. So wherever you are and whatever stage of the business and life journey that you're at, I just want to say thank you for being a listener and giving me and my guests the opportunity to share what we've learned with you, which ultimately is for the benefit of everyone. But no matter where you are from or what stage of the business that you are in, one thing that we all have in common is that we're all on a journey, a business journey where you and your business continually grow and hopefully evolve through a series of different stages.] And let's be frank here and say that if you fail to grow and evolve, then at best you become stuck. Or at worse, what happens to you is what happens to most businesses, and that is that you simply don't survive long term. There's a TV program in the UK. I think it's called Gladiator, but it may have a different name where you live. Anyway, it's a commonly repeated theme, whether it's a TV show or a video game where the participants have to get around an obstacle course and overcome a series of challenges along the way, and obviously many of them fail and get knocked out of the game as the show progresses. Now it's an entertaining format, but the reason I mention it is that I think of business as being more than a bit like that game.

[00:02:13] And just like the game show, being in business might at times be fun and entertaining and exciting. But unlike the TV game show, being in business is a very serious game with serious consequences if you get it wrong. Because like all games, there are winners and losers, and the winners are those that manage to stay in the game and continue to grow and evolve with the times as they navigate all the different challenges and obstacles that life will throw at them along the path that is their journey. Whether those obstacles are things that you can't always control, like challenges in the economy or social and political changes, or even personal health issues, or perhaps those changes are things that you do have control over, like the attitude that you bring to work every day and the culture that you create in the business.] Services that you offer and the prices that you charge. But the problem is that when you open your first business. You have no real idea of what the rules of the game are, and so you don't know what the problems are or where they're going to come from, and so you have to learn as you go and you have to learn fast. But the reality is that you're often so busy in the here and now of your business that you can't always see the path ahead of you. You don't know where you are on the journey, what to look out for, or what you should be doing in order to get from where you are to where you want to go. And that's often the problem. You don't actually know with any clarity where you are. And where you want to go. And if you don't know that, then how can you possibly

expect anyone else on your team to know? I'll often hear or read about the stages of a business, and depending on what you read, they'll come at it from different perspectives.

[00:04:13] But to me, I think that there are five clear stages in the game of building a business and winning the game. Most businesses don't traverse all of these stages because most businesses simply don't survive, and therefore they obviously don't win the game of business long term. Whether that's because they quit playing the game at any one of the stages or because they're knocked out of the game. So what are the five stages of the journey that a winning business goes through? Well, I think stage one in the game of business is a stage where you're full of optimism and excitement. You are new to it, and typically you'll roll up your sleeves and you give it your all because you quickly realize that everything is now your responsibility. Now, I know that you knew that that would be the case before you opened the business, but there's a difference in knowing the theory and experiencing the reality because, well, they're two very different things, but hopefully you get through it because of the work ethic you have and the energy and enthusiasm that you bring to the game. The problem though is that in the first stage of business, you've really just bought yourself a job, meaning that in the first stage of business, it's all about you doing all of the work or if not all of the work. Certainly the majority of it, it's you doing the most clients. It's you doing the most retail, it's you doing the most rebooking.

[00:05:42] It's typically you with the highest average bill. But it's also you endeavoring to run the business, and after all, there is only one of you. And so despite all of your superhuman powers that you might have, something has to give. [00:06:00] So what will that be? Will it be staff leaving? Will it be lack of consistency and standards? Will it be not being able to find new people to join your team? Will it be your mental and physical health that suffers? Will it be problems with your personal relationships at home, or will it be financial overwhelm? Because there simply isn't the amount of money coming in to match the amount of money going out. Some salons never get out of this first stage. They just keep fighting the good fight, trying to work their way forward, and so they survive, but the business and the owner have pretty much become one. That's what I mean when I say you've bought yourself a job. The owner in that case can really leave the business because the business is totally dependent on them. They are the business, and if they do manage to leave the business, the income drops and the place starts to fall apart because too much of the business relies on them being there. You'll stay stuck in this stage unless you consciously decide to create a business that doesn't rely on you. And this is something that you probably never even gave a moment's thought to before you opened a business, but eventually, hopefully you figure out that the secret to building a business is to consciously create a business that works without you and not because of you.

[00:07:27] And when you do that, that brings you to the second stage of business, stage two, which is where that often repeated expression from Michael Gerber's book *The E-Myth*. Work on the business and not in the business comes from. And so understanding that the second stage of business is working on rather than in the business is the next stage. But understanding that expression is a concept and actually starting to make that transition requires a completely different set of skills to the skills of the hairdresser. Because now we're talking about the skills of management and the

skills of leadership. And so now that you have got your business up and running and you've got other people doing stuff, it's all a bit chaotic, but at least it's working to whatever degree. And so now you need to get all of your team all on the same page and all united and all working towards the same outcome. And in order to transition into the second stage of business, it starts by you creating a clear vision, a clear path for the business and for those that work within the business to follow. So now, as well as still doing some of the work in the business, you need to start extracting yourself and freeing up some time so that you can develop the training.

[00:08:48] The systems, the delegation, the values, the culture and the infrastructure of the business at a management level, and all of that takes time to put together. So to help you with that and make it a little bit easier, you can get a, a free download of the Salon Management checklist. Just visit our website, [grow my salon business.com/management checklist](http://growmybusiness.com/management-checklist). And I'll also put that link in the show notes for today's podcast so that you can download that and it'll give you a little bit of a job description. As the manager, what are some of the things that you need to put in place? But here's the thing, although it takes time to work through the items on that checklist, when you get it right, that's when you have a business that has the potential to expand and grow, and that's what takes you to the third stage of business, stage three, because by the time you get to stage three, in most cases, you would've then ceased working directly with clients behind the chair.

[00:09:55] Or at least only be doing it maybe one or two days, maximum a week. Now, I meet many salon owners who have built a very successful single salon business, and because they've succeeded at one salon, they then decide that they have what it takes to expand and open a second or third salon, and they have dreams of big expansion. Some do and they succeed, but many don't. And they eventually go back to having just the one salon, something that's easier to manage, more profitable, and it gives them more freedom to do other things in their life. The reason that many people fail at this third stage of business is because they didn't master the skills needed in the second stage of business.

[00:10:43] In other words, they didn't realize how much the business still depended on them being there. They didn't develop a clear direction for the business. It was independent of them. There was a, a lack of vision for the business that other people understood. They didn't take the time needed to develop and fine tune the values, the culture, the training, and the systems needed across every area of the business. Because if the business is to expand successfully, that's what needs to be done. And if they do that and they get it right, then that's what leads them into the fourth stage of business. Stage four is when a business has scaled successfully. And then in theory has the potential to rinse and repeat and just open another and another. There was an expression I once heard, and it was essentially asking the question, how many stores does McDonald's have? Is it 38,000 or is it one store 38,000 times? The same question could be applied to any business that manages to scale, whether it's in the food industry like McDonald's, it does actually have 38,000 stores, or the coffee business like Starbucks or the tech industry like Apple or fashion business like Gucci or the hair industry like Tony and Guy.

[00:12:08] When businesses scale, is it because they've opened as in the case with McDonald's 38,000 stores, or is it because they've got the formula right, that they open one store and replicate it essentially 38,000 times? I think you know the answer. Once you have the formula right, then expansion is only limited by vision and the leadership to make it a reality. However, it's obviously not as easy as it sounds and brings with it a totally different level of complexity. I get that. But regardless of whether you choose to expand or not, The next stage of business. Stage five is all about building a legacy, building something that outlives you, because that's what stage five is all about. Meaning that whether you just have one or 1000 salons, building a legacy simply means that you create a succession plan so that the business can outlast you. Just imagine what that would feel like to build a business, big or small, that continues on after you are no longer there. And that doesn't just happen without some serious planning to make it happen, but it is possible.

[00:13:25] So there you have it, the five stages of business. But before we wrap this up, as you may know, we have a series of online courses designed to help you, the salon owner, to build the business that you aspire to, whether that means one successful salon or you have dreams of expansion. Either way, the key to success is education and having a path to follow. So, if you want to find out more about that, then visit [grow my salon business.com](http://growmybusiness.com) or click on the link in the show notes of today's podcast to find out how you can develop the salon management and leadership skills needed to take you to the next level.

[00:14:07] So before you wrap up, there are three questions that I want to leave you with. The first one is, which of the five stages of business are you and your business currently in? The second one is what is the vision that you have for your business? And the third one is what is currently holding you back from making it a reality? So that's a wrap. Until next week when I bring another great guest to you on the Grow My Salon on Business podcast. And don't forget to get your free download of the Salon Management checklist, visit [Grow My Salon on business.com/management hyphen checklist](http://GrowMySalononbusiness.com/management-hyphen-checklist) that I'll put that link in the show notes for today's podcast. Until then, keep safe.

[00:14:52] Thank you for listening to today's podcast. If you'd like to connect with us, you'll find us at [grow my salon business.com](http://growmybusiness.com), or on Facebook and Instagram at Grow My Salon Business. And if you enjoyed tuning into our podcast, make sure that you subscribe, like, and share it with your friends. Until next time, this is Antony Whitaker wishing you continued success.