

GMSB 230

[00:00:00] **Antony Whitaker:** 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.

[00:00:26] **Antony Whitaker:** Hello, and welcome to today's episode of the Grow My Salon business podcast. I'm your host, Antony Whitaker, and it's great to have you with us today. Thank you for the compliments regarding the podcast. I really do appreciate it. And if you're one of those people who haven't yet left us a review, I would love it if you did.

[00:00:45] **Antony Whitaker:** Ratings and reviews are extremely helpful. They do matter in the rankings of the show and it helps other people to find my podcast. I also love to hear what's been helpful to you. So all you need to do to leave us a review is go to the Apple podcast app, search, grow my salon business, scroll to the bottom of the page and leave a review and you will make us very happy.

[00:01:08] **Antony Whitaker:** So with that said on with today's show, I had an email. This week from a frustrated salon owner, and he said, my biggest challenge at the moment is that I've lost 50 percent of my business. My ex manager and a very good stylist have left and opened up the road and they've taken a lot of clients with them.

[00:01:27] **Antony Whitaker:** So I'm left with two stylists and myself. So we need to fill empty spaces with new clients. Now, I know nothing about this person who emailed me. I don't even know what country they're in or how long they've been in business or what they did when they left, where they were working to open up on their own and all those things and many more will influence what happens next.

[00:01:49] **Antony Whitaker:** But what I do know is that a lot of salon owners everywhere will relate to his situation because well, either it's already happened to them or it will inevitably happen to them at some stage.

[00:02:02] **Antony Whitaker:** So that's the topic of today's podcast. Now, I've broken it down into five different sections, which is essentially what I would do if I was in his shoes. So the first thing I would do is to ask myself, what am I meant to learn from this? The second thing is understanding the immediate financial impact that it will have on the business.

[00:02:24] **Antony Whitaker:** The third is a need to steady the boat and reassure the rest of the team that it's not the end of the world. And at number four. It's the issue of recruitment and rebuilding. And at number five, it is marketing for new clients. So let's dig into each of those in a little bit more detail, starting with asking yourself, what am I meant to learn from this?

[00:02:50] **Antony Whitaker:** Because, well, there's always a lesson. If you look for it, so ask yourself, what am I meant to learn from this so that I can either prevent it happening again, or at least limit the damage when it does happen. Because although it's tempting to lose your temper and rant and rave about disloyalty and lack of trust and people today, it is part of being in business.

[00:03:13] **Antony Whitaker:** People will come and go regardless of what you do. So I think it's always important to understand why. The staff are leaving. And is it just a case of the people that left seeing it as natural growth for them? Or is it that they don't like you or the way that you run the business?

[00:03:34] **Antony Whitaker:** So if it's that they don't like the way that you run the business, then maybe if you do a little objective soul searching, perhaps there is a lesson in there of something that you could do differently.

[00:03:47] **Antony Whitaker:** And another thing to remember is that others, meaning the remaining people on your team, are watching to see how you react. So don't be bitter and twisted. Be professional and look for the lessons, learn from it, and move on.

[00:04:01] **Antony Whitaker:** That brings us to number two on the list, and that is to understand the immediate financial impact and the implication that that has on the business. The challenge with small businesses, which most salons are, is that when two people leave, effectively 50 percent of your business walks out the door.

[00:04:20] **Antony Whitaker:** And that has a very real and instant financial impact on the viability of the business. **It's one of the reasons why it's**

commonly said that businesses need a financial buffer to allow them to survive when unplanned events impact on their ability to trade normally.

Whether that's due to what's termed as an act of God, the things such as Fire or floods or earthquakes or an accident such as a car crash or health issues for the team members or the owner or the owner's family, which restricts the owner's ability to work or as in this instance, a walkout,

[00:05:01] **Antony Whitaker:** Regardless of what it is, if the business's ability to trade normally is impacted and there's no financial fallback buffer, then the business quickly gets into trouble because it can't cover its financial commitments. It's widely regarded that, as a business owner, that you should have a minimum of three to six months cash on the bank that allows the business to cover all its overheads and continue to operate regardless of what happens.

[00:05:31] **Antony Whitaker:** The problem is that most businesses don't. And if this salon owner doesn't have a financial buffer, then at the very least it's a lesson for the future of what they need to put in place. But in the meantime, the immediate pressure is to develop a plan for the business to survive and to work your way out of it.

[00:05:50] **Antony Whitaker:** Now, typically that means that the owner has to roll up their sleeves and get behind the chair in an effort to maximize the income in the business. But as well as that, as the owner, you need to focus on doing what you can do to manage the financial impact on the business. So that means that you need to look at your budgets and most importantly, have a cash flow forecast in place that you update weekly so that you can manage the income and outgoings and see in advance where the financial pressure points are going to be.

[00:06:24] **Antony Whitaker:** Now, as well as budgets and cashflow forecasts, you need to reassess your breakeven point because that would have changed. Now, you'll have your fixed costs such as rent, which will remain the same, but you'll also have variable costs such as the reduced wage bill now that you have less team members. So reassess the budget and look for ways to cut costs where you can.

[00:06:47] **Antony Whitaker:** Now, if you're already in a hole financially, meaning that you're in debt and you're planning on going into more debt in order to survive, then this is a real danger point. And for some businesses,

[00:07:00] it can be the beginning of the end. The third point is to steady the boat, meaning to reassure those staff that are still there and to rebuild the trust and reassure them that the business and most importantly, their job is secure.

[00:07:17] **Antony Whitaker:** Now, there's also a tendency for especially younger team members who perhaps have never experienced this before, to say something like, it's not the same here anymore. And no, it's not. So you have to put a positive spin on that. You have to point out that it's time for them to step up and it's time for them to see it as an opportunity for them and others on the team to move up.

[00:07:43] **Antony Whitaker:** And so it becomes their moment to shine. And as the owner, you need to look at the positives, the upside of who and why they left and how maybe they were actually holding you back. As the owner, you need to create a vision for the future of how the business will now evolve and look for ways to involve the rest of your team in that rebuild.

[00:08:07] **Antony Whitaker:** And as you do that, I think it's important that everything is up for consideration because you are in a rebuilding and reinvention phase. And so the more you can involve your team in that process, the more likely they are to be excited by it and to take ownership of it and to see it as opportunity. Now that brings us to number four, which is the need to recruit and to rebuild the team.

[00:08:34] **Antony Whitaker:** Now, ideally you probably want someone to walk in the door with an established client following, but that's probably not going to happen. So you need to start by asking yourself questions, questions like who or what are you looking for? Meaning, are you looking for senior stylists or junior stylists? How many staff are you looking for?

[00:08:55] **Antony Whitaker:** Do you want them to be full time or part time or do you want them to start off as part time but gradually that can evolve into a more full time position? What employee benefits and flexibility can you offer them? Where will you find them? Will it be via your website? Will it be via social media? Is it an online job platform?

[00:09:16] **Antony Whitaker:** Is it your personal contacts that you have in the industry? And that brings us to number five, which is the marketing for new clients. In many ways, marketing goes hand in hand with recruitment,

[00:09:31] **Antony Whitaker:** And so you also need to ask yourself more questions such as, do you need to get new clients or is it more important to focus on keeping the clients that you have? Can you market to the clients that are potentially leaving or have already left with the other stylists in the hope that some of them perhaps don't like the new salon, don't like the way it's run or don't like the location or actually perhaps you underestimated how much their relationship was with you and the brand and not just that individual.

[00:10:04] **Antony Whitaker:** So can you market to those clients for the opportunity to potentially bring them back into your business?

[00:10:11] **Antony Whitaker:** And are you relying on new stylists bringing clients into the business? Or are you rebuilding from scratch? And what is the current strategy that you use for marketing to get new clients? What's been the most effective? In the past and what's been the most cost effective because you probably don't want to be spending a lot of money at this point in time on marketing.

[00:10:37] **Antony Whitaker:** So you need to look at cost effective solutions that will bring new clients in. I was talking to another salon owner recently who also had lost some stuff. And the comment that one of the staff made to him as they were leaving was, It's just business. It's not personal. And together we reflected on the fact that when they're there, It's very personal, and as the owner, you may well have made many concessions that aren't necessarily good for the business, but you do it because, well, it is personal.

[00:11:11] **Antony Whitaker:** But then when it comes to leaving time, they decide that it's just business. So what's the lesson?

[00:11:17] **Antony Whitaker:** Well, I want to share with you a great book. It's called Unreasonable Hospitality by Will Guidara. And I want to quote a paragraph from it. Now for context, it's a speech that a famous restaurant manager is giving to his team. And I'm going to read directly from the book. And what he said was, I'm so excited to be here.

[00:11:41] **Antony Whitaker:** I believe in and I love this restaurant with all my heart. I'm also clear about what my job is, which is to do what is best for the restaurant, not to do what is best for any of you. More often than not, what's best for the restaurant will include doing what's best for you. But the only way I can take care of all of you as individuals is by putting the restaurant first.

[00:12:05] **Antony Whitaker:** So I really loved that quote, and I think that there's a lot of similarity between the way a restaurant business runs and the way a salon with a team also runs. So, I recommend that book, Unreasonable Hospitality, it's absolutely full of gems of wisdom as to building a team and creating a culture and, turning your business into something that people don't want to leave, whether it's clients or staff.

[00:12:33] **Antony Whitaker:** Okay. So with that said, we do need to start winding this episode up. But before we do, we have multiple free resources on our website from our weekly podcast to the two minute salon manager videos, as well as our paid for resources, whether it's our books or one to one coaching or our online courses.

[00:12:51] **Antony Whitaker:** Relative to today's podcast, there are a couple of resources that I want to point you towards. The first is my books, which are the grow series. So GROW 1 Super Stylist. GROW 2 Management, GROW 3 Team, and GROW 4 Marketing. And in March we will be relaunching our online Management program where we go into a lot more detail about building your business from the ground up and creating the culture that you want.

[00:13:18] **Antony Whitaker:** So if you want to find out more, visit us at [grow my salon business.com](http://growmysalonbusiness.com) or on Instagram at Grow My Salon Business. And I'll put those links in the show notes for today's podcast on our website. So don't forget to subscribe and leave us a rating and review on the Apple podcast app. So to wrap up, thank you for listening to this week's episode of the Grow My Salon Business podcast.

[00:13:42] **Antony Whitaker:** 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 or on Facebook and Instagram at Grow My Salon business And if you enjoy 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