

GMSB 241

[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.

[00:00:27] **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 here with us today. Now, in case you don't already know, video versions of our podcast are now available on our YouTube channel. So if you want to put faces to the names, then head on over to YouTube and search Grow My Salon Business.

[00:00:48] **Antony Whitaker:** And like, and subscribe to the channel so that you never miss an episode. And if you're finding this podcast helpful and you're already watching it on YouTube, then make sure you hit the like or thumbs up button. Now, my guest today is Sean Hanna, a London based hairdresser and multi salon owner. He's also a property developer, a business consultant, and an entrepreneur

[00:01:11] **Antony Whitaker:** in the real sense of the word. In today's podcast, we're going to discuss the phases that a business owner evolves through during a successful career, the importance of managing the numbers and why you need to plan an exit strategy and lots more.

[00:01:27] **Antony Whitaker:** So without further ado, welcome to the show, Sean Hanna.

[00:01:31] **Sean Hanna:** Hi, Antony. Great to be here.

[00:01:33] **Antony Whitaker:** I'm, I'm really glad to have you here. Now, umm, I'm going to dive in and ask you about the entrepreneur's guide to the galaxy, which for our audience is an ebook that you've produced. That is a guide for how you have navigated a career in hairdressing from day one as a young stylist, and it covers what the key milestones were as you evolved through your career.

[00:01:58] **Antony Whitaker:** Now, can I just say that I absolutely loved how concise and to the point it was. And I think that anyone reading it can tell it's written by someone who has walked that path and I wish that I'd had it as a blueprint when I started out. So can I get you to start by talking us through what the six phases are of the entrepreneurial journey?

[00:02:20] **Antony Whitaker:** And then we can dig into the detail.

[00:02:22] **Sean Hanna:** Sure. Well, firstly, thanks for that. And congratulations to you on doing such an amazing job and doing that number of podcasts is fantastic and good for the industry as well. So really happy. Yeah. The Entrepreneur's Guide to the Galaxy. Well, um, I suppose it kind of started as an idea, uh, because it was almost like a blueprint, if you like, of how I see a lot of, uh, successful.

[00:02:47] **Sean Hanna:** Financially successful salon owners, uh, get to the end of their career. And it is, I suppose it's a path that loosely we kind of followed it. Um, and I suppose stage one for me always starts off with the sort of like. You know, learning the craft, like mastering the craft. And, you know, if we're really going to go on a journey, we've got to be good at the basics.

[00:03:07] **Sean Hanna:** I suppose that was the initial start. And I do think that most people who, um, most people who are sort of starting their career in hairdressing, they don't go into it for financially driven, Uh, reasons, you know, we go into it because we're good with people or we like people, we like being creative, um, any number of reasons.

[00:03:26] **Sean Hanna:** It's very rarely that someone says, you know what? I want to make a lot of money I'm going to be a hairdresser. And that isn't a bad thing. You know, I think it's all about finding the passion and really being good at what we do. And I think, you know, that was Kind of for me, it was all about the haircut.

[00:03:40] **Sean Hanna:** I was, it's like in the 70s, I wanted to do the most amazing haircuts, the most perfect haircuts. And so that was kind of the stage one. And I think that is an important part of it. I don't, I don't think people go into just to sort of try and build a business. Um, stage two then is we we've become good.

[00:03:56] **Sean Hanna:** We've become a master and we're learning how to influence the people around us. And that leads us into the journey of being like a salon owner. Um, the qualities that we need to be a salon owner are completely different to what we need to be in a great stylist. Um, and it's probably the first time that we have to start really thinking about the business, if you like, of, uh, being a hairdresser.

[00:04:21] **Sean Hanna:** As we go into stage three and we're sort of thinking, you know, okay, now I've got one salon. And for me personally, when I had one salon. Um, I only ever wanted one. There was nothing, no part of me that I thought I wanted a second salon. I thought it would dilute, dilute the brands, dilute the quality. How could you control two places at the same time?

[00:04:43] **Sean Hanna:** But, you know, I was seven years in salon number one and I was beginning to think. I'm a big fish in a small pond and I want to be a bigger fish in a bigger pond, I suppose. And I thought, you know, I need to expand to do this. And also you get to a point where, you're earning quite good money maybe, but you want to earn more.

[00:05:01] **Sean Hanna:** So your ambition starts to kick in. So you, sort of think, well, two salons. I can do that. So, we kind of go to two salons. As we move on through the stages, we then go into opening up more salons and becoming a group. But alongside that, from an entrepreneurial point of view, the thing that was really interesting, and I've seen other people have been very successful.

[00:05:22] **Sean Hanna:** They diversify, so it's not all just about the salon. And a lot of the questions I get asked now are sort of, do I open another salon or do I buy a property? Uh, do I invest in the stock market? You know, there's, there's, there's not one, uh, thing that fits all, but there's definitely a, a feeling where people begin to diversify into building a personal wealth alongside the business growth.

[00:05:46] **Sean Hanna:** And then I suppose, you know, once you have an actual group and you start to learn about things like legal setups, uh, setting up a business from a, you know, do I do it for your franchising? Do I do it through a group? Do I do it through partnerships? There's so many different types of model that can be employed

[00:06:07] **Sean Hanna:** to allow you to, to, to grow your brand, which is great. But then once you, as long as it's successful and you are making money from it,

then when you get to the, almost the last stage, it's like, how'd you start to leverage that money into creating financial security for you and your family? And then the final stage is how do I get out?

[00:06:28] **Sean Hanna:** And actually, if I'm honest, probably the biggest topic of conversation I get asked about at the moment is like, I've got a great salon, I've got a great business. How much is enough? You know, like, what do I need? I'm going to stop working in five, 10, 15 years' time. Realistically, what, what do I really need to be able to make that happen comfortably?

[00:06:47] **Sean Hanna:** And so it's working on the exit strategy, but it's, it's, the book is very simple. Um, it's not, complex and deep. It wasn't supposed to be that. It's kind of like an overview of like, uh, how you can take that sort of roadmap. It doesn't do it for you. You still got to do the roadmap. You still got to do the journey.

[00:07:06] **Sean Hanna:** But, uh, I think I would have loved to have had this when I was starting out.

[00:07:11] **Antony Whitaker:** Yeah,

[00:07:11] **Sean Hanna:** wouldn't have got it at stage one. I wouldn't have understood it. But every time I got to stage two, I'd have been like, okay, this is interesting.

[00:07:17] **Antony Whitaker:** Yeah. Yeah. It's a roadmap. As simple as that. Yeah. Well, can people get a copy of the PDF?

[00:07:22] **Sean Hanna:** Sure. If you, um, if you go to seanhannaconsultancy.co.uk um, and that sound of a bit of a plug there. Um, but you can download it for free.

[00:07:32] **Sean Hanna:** It's like 30-minute read.

[00:07:33] **Antony Whitaker:** Yeah. 30-minute read. Good. I was going to, uh, or I am going to put that link that Sean has just said, uh, into the show notes for today's podcast. So you'd be able to, uh, to access that.

[00:07:45] **Antony Whitaker:** It's a simple read, 30 minutes, and it really, uh, does sort of take you through what's realistically taking Sean 50 years of his

career in this industry, you know, and, and it just plots that path of, uh, of what is possible. Um, now, as you were talking there, I just wrote down because a lot of our audience will know who you are.

[00:08:05] **Antony Whitaker:** obviously all the UK audience will, people in the U S, Australia, other parts of the world, perhaps don't know who Sean Hanna is or the Sean Hanna Group. but I just want to point out that you and your team over the years have had a very successful salon creatively, won lots of awards, et cetera, done lots of shows, et cetera, as well as being successful business wise.

[00:08:29] **Antony Whitaker:** And, uh, that is, something that is not always that common. before we started recording, we were talking a little bit about this and you said something along the lines of, as a young salon owner, I was often looking for a mentor and I'd find myself talking to people who were very successful hairdressers, but I realized that they hadn't necessarily nailed the.

[00:08:51] **Antony Whitaker:** The business side of success. Talk to us a little bit about that because I couldn't agree more. And I think that's what you've done. You've got a really good balance between the two.

[00:09:00] **Sean Hanna:** Yeah, I think that was the thing is a young salon owner. You're sort of thinking, right? Okay, what is possible? Because that's a big part of it. And, uh, you know, like I'm ambitious and I want to do something, but I I don't really know what I want to do. I don't even know what's possible. And so I started to look at people who I really admired within the industry.

[00:09:20] **Sean Hanna:** And I would sort of, I was quite plucky and I'd go and sort of speak to them and say, look, you know, can I have a, can I ask you some questions? You know, uh, talk to me about this. And I was often drawn to the people who are creatively very, um, And I suppose because often the business people aren't actually that well known because they're kind of working in the background somewhere.

[00:09:41] **Sean Hanna:** And, uh, you know, no one goes up on stage and says, or not, certainly not in the UK. Hey, look at me. I've made a load of money. You know, it doesn't work that, but you still say, Hey, look at me I can do this amazing haircut or this new color or whatever. So I kind of was drawn to those sort of people. And, and, you know, some of them were doing great business wise

[00:10:00] **Sean Hanna:** But there was a lot of people that were, they were probably just like me. They were trying to make it happen. Um, and being famous within the hairdressing industry doesn't link necessary to being financially successful. And in fact, quite often it's the opposite. The cost of being famous actually stops you from actually creating personal wealth. And I'm sure there's a lot of salons owners around the world that experience this every time there's a huge competition or a big creative competition. It's like, do we invest, you know, 20, 000 pounds in a shoot? Where does that come back to me? And it's like, well, it makes me more famous and maybe I'll get some seminars and are people actually going to pay me for those? So I kind of went through that sort of journey. Um, I was very lucky. I had a, I had a friend who wasn't a hairdresser at all, who was a few years older than me. He was actually an accountant at the time. And he was a very good, what I call common sense mentor. So, when I get all excited and I say that I'm thinking of investing in this brand new car.

[00:11:01] **Sean Hanna:** And he would be the person who put his hand on my shoulder and say, Sean, that is not an investment and bring me back down to bring, bring me back down to earth and say, like, come back when you've got an idea of, uh, investing in something that will make money, not lose money. And he was always on my case in a nice way, but actually, I met up with him literally six months ago.

[00:11:24] **Sean Hanna:** I took him for lunch and I said, you know what? You changed my life. And, uh, he said, oh, don't be so stupid. You did it yourself. I said, actually, you probably did. You know, I'd have been, you know, he really, really was the person sitting on my shoulder to try and keep me with some sort of common sense. So, so yeah, so finding mentors was quite a big part of what I was always looking for.

[00:11:42] **Antony Whitaker:** Okay. Now, you just mentioned, you said a mentor you had who was an accountant. And, most of our audience probably don't know that you actually started out as an accountant, which is an unusual segue into hairdressing. Uh, but what I wanted to ask you about was that, um, Has having an accountancy background, I know you didn't like being an accountant, but has, has having an accountancy background and being good with numbers in hindsight, how much has that helped you, when you did open your salons and started to grow them because you could understand it or see the business from a different perspective, because a lot of hairdressers are

completely, up in the air when it comes to looking at numbers and making any sense out of them.

[00:12:26] **Antony Whitaker:** So how much of an advantage was that?

[00:12:29] **Sean Hanna:** Um, I get asked that a lot. I don't really think that it was, if I'm honest. Um, I, Actually, as a school kid, I always knew what I wanted to be. I wanted to be an airline pilot. That was my, that was my go-to. And it wasn't until I was literally leaving school. They said, well, you know, you can't do that, but you're okay at maths.

[00:12:47] **Sean Hanna:** And I kind of drifted into accountancy, but like you said, I never really enjoyed it. And, uh, I, I used to, I had a girlfriend who worked in the King's Road and I used to go and pick her up after work and the atmosphere was just so cool and so good and I was just drawn into that. So, do I think it really helped?

[00:13:04] **Sean Hanna:** Not, not really. I think I was reasonable with numbers. I certainly wasn't like amazing with numbers, but I could, I can add, and I can sort of in my head understand the difference between, you know, if I've got more money or less money, um, and probably comes from having a very, very, very poor background as a, as a kid, you know, so it was always on our minds, but about sort of, you know, being able to, you know, where we could afford stuff in that.

[00:13:32] **Sean Hanna:** Um, I think that you said people aren't very good with numbers. I think most people are okay understanding, uh, the numbers side. They just don't want to. So, you know, they want to be able to spend more than they got. Um, we're very much encouraged to from a marketing point of view to spend, you know, we're earning 100, but let's spend 120.

[00:13:53] **Sean Hanna:** Um, and I think I've always been really adamantly, you know, opposed to that sort of mindset. It's like I earn 100, I'll spend 90. 10 always goes to somewhere safe and then I can do what I like with the other 90. And I kind of had that from a personal point of view from fairly early on and definitely from a business point of view.

[00:14:13] **Sean Hanna:** It was never spend what you can't afford to spend. And I think most people do have that. They just don't want to accept it. So, you know, they, they make 100 grand profit, but they want to spend 130 and it's

more about having control rather than understanding a number. So I very rarely speak to someone who doesn't actually understand it.

[00:14:32] **Sean Hanna:** I just get, I'm just always intrigued that they don't want to understand it.

[00:14:36] **Antony Whitaker:** So what was it for you that made you understand it? Was it the tough upbringing or was it a guiding hand from a mentor or?

[00:14:46] **Sean Hanna:** Yeah, I mean, definitely the accountant friend that I said, as I got further on, I could see, you know, I kind of got carried away. You know, you go a stages as a hairdresser starting out, you end up having quite an ego. You know, uh, you almost need that because you've got to put yourself out there and say, look, I'm great.

[00:15:02] **Sean Hanna:** Believe in me. I can change your life. You know, I can make your hair amazing. And then you might have a team and you've got to get the team to believe in you. And But, but sometimes you, we almost can believe our own myth, you know, and, and you're almost, you know, you're a millionaire or multimillionaire in your head way before you get there.

[00:15:20] **Sean Hanna:** And suddenly, you know, the temptation to spend your way to looking wealthy is very, very tempting. And I think I did have, I had someone who would be really on my case if I sort of, you know, I said that I'm thinking of doing this and it'd be like, no, I do think that, you know, the big. The big money choices are often made quite early on.

[00:15:42] **Sean Hanna:** Um, and I think the time to take, uh, risk is when you're, when you are younger, the older you get, the less likely you are to take risk. I don't really like taking risk now because there's no way I could, I could make back if I lost, you know, if someone said, we'll put 10 million into this. I think, well, I'll probably, if.

[00:16:03] **Sean Hanna:** I'm probably never going to make that back if I lose it. Whereas, you know, if someone says to you when you're 21 or 25 even, or even 30, so everything you got, put your house on the line, whatever to make this business work. If you lose everything, you've still got plenty of time to get it back. the further along the journey you get, you know, you get children, you've got schools, you've got mortgages and things like that.

[00:16:26] **Sean Hanna:** You find people be just naturally become less risk. They become more risk averse. So yeah, I think, uh, you know, the time to take the chances and the gambles. And of course, every time you open a business, it's a gamble. You can't guarantee that you're going to make it work. However good you are.

[00:16:42] **Antony Whitaker:** Yeah. Yeah. There's some good wisdom there. Okay. I mentioned, uh, in the opening that I'd interviewed your partner Skylar for, uh, the podcast in August 2019 that was an interesting time, wasn't it? yeah.

[00:17:00] **Antony Whitaker:** and it was called Skylar London and for anyone who wants to go back and listen to it. It was episode 14 and It was a colour only salon.

[00:17:14] **Antony Whitaker:** Um, now I will say that I actually listened to that podcast again before I talked to you today. And I will say that the audio for that podcast was not good. Okay. So, if you're going to listen to it, I'm going to apologize in advance.

[00:17:27] **Antony Whitaker:** It's, it's a bit hollow. There's a lot of echoes there. Uh, but the information was great. Skylar is very articulate, intelligent conversation. There were lots of groundbreaking ideas about that salon. And, when I was listening to the podcast and, um, looking or thinking about the marketing that you were doing, the service menu, the website, the pricing, the membership systems you had, you know, the customer journey, the, the level system or lack of level system that you had, um, the, uh, the lighting.

[00:18:01] **Antony Whitaker:** And of course, you couldn't talk about that salon without mentioning the legendary slide. Now, um, I know that Skylar London Salon was closed, uh, just after COVID. But it appeared to be such a brilliant business with so many great ideas. What Obviously, you know, COVID impacted on a lot of businesses, but looking back at that business, cause I think you had it, if I'm right in saying was four or five years, what did you learn from it?

[00:18:29] **Antony Whitaker:** You know, because when you're so groundbreaking with so many new approaches and there was a lot of new approaches in that business, what worked and what didn't work, because

when you try stuff, sometimes things don't work. Maybe you're ahead of your time or whatever it is. So, talk to us about that. Cause it was a brilliant salon.

[00:18:44] **Sean Hanna:** Well, We, we started the process of that. I think you did the podcast in 2019. I think we started that round about 2000, thinking about it round about 2017. And it took us maybe to 16. It took us about two years of research. And I think the, the salon group, uh, going really well, and, and to be fair, we had, we had money to invest, you know, um, and we really sort of, we could feel that there was a change in the fashion at the time.

[00:19:14] **Sean Hanna:** People wearing their hair longer, people getting less into doing haircut, having haircuts. Um, stylists were less, um, skillful at doing haircuts because they just weren't getting a chance to do them. Um, you UK, we were seeing people, a lot of people just having like long hair. So from a technical point of view, it'd be like long hair, a little bit of forward grudge, maybe a fringe.

[00:19:38] **Sean Hanna:** And that was where the skill set was. It was kind of quite boring in a way, um, from a creative point of view, but color was like going through the roof. So we did a lot of research to try and work out. If we could create the perfect client salon from a client perspective, what would it look like? Um, and that's where the Skyler London, uh, I suppose idea [00:20:00] came from.

[00:20:00] **Sean Hanna:** And probably of all the things that I did throughout my career in doing salons, that was the one that I enjoyed the most and probably felt the most proud of because it was so sort of groundbreaking. Um, I still think we were probably slightly ahead of the time. Um, I think that. Clients were finding it a little bit difficult to get to grips with it, but you know, we were getting to a point where it sort of got past break even we thought it was going to be okay, but I mean COVID, it was a big hit.

[00:20:29] **Sean Hanna:** It was a very big salon or from UK point of view it was a big salary about four and a half thousand square feet. Um, we had a very large rental on there. Um, and, um, It was, you know, we did get to a point where we sort of said, look, okay, after COVID, it either needs a shared load of money to keep this running for the next five years.

[00:20:50] **Sean Hanna:** We sort of got to the end of a five-year break in the contract. And we said, do I really, and ultimately by then, you know, I think Sky,

who'd put so much work into building the user experience. Love doing that so much. She's actually gone on now to, to set up a, you know, she's actually doing user experience as a career rather than just in hairdressing.

[00:21:10] **Sean Hanna:** She is so good at it. Um, but I think, uh, I then had to decide, well, okay, would I run it for the next five years? Without her, which didn't really sort of make sense. And, um, I think also it was just a case of, do I put my pension money effectively into the next five years? And I'd already planned really to stop running salons by 2020.

[00:21:34] **Sean Hanna:** So, I was kind of already past my, my sell by date. And I thought, that was the honest answer. I just didn't really want to sort of put more, more money into it. Do I think that the, some of the ideas, I think some of the ideas in there are still really valid and they will become what the industry will move towards in the future.

[00:21:51] **Sean Hanna:** Um, some of them, maybe not, but, uh, the colour only concept, it was quite interesting. Um, I think there's something in that, but I think the, the, the reason that colour was so interesting. Not easy, but it was easy to sort of systemize a lot more. With cutting, it was so much harder to sort of like, you know, different stylists doing different time scales and charging different amounts.

[00:22:15] **Sean Hanna:** And, you know, whereas in Skylar London, we had, we, trained everybody for three months before the salon even opened. Everyone charged the same clear, transparent pricing for the clients. If someone went on the website and said, oh, I want to have TZ lights example, they click on it and then the whole video pops up and it tells you all about TZ lights and what they are and why you should have it.

[00:22:35] **Sean Hanna:** Um, the, the, the user experience was really, really strong. Um, so I think, yeah, we did learn a lot and funny enough now with my, um, my daughter with Yasmin, Tom and Lloyd now run the Salons that we do have, the Sean Hanna Salons, and they're very ambitious and keen to grow that part of the brand. And the conversation always comes back to, you know, which bits of Skylar London do we take and put into a new concept salon going forward?

[00:23:07] **Sean Hanna:** Because there's some bits of it which would be really good.

[00:23:10] **Antony Whitaker:** Yeah, definitely. You mentioned the website and and the color menu. I loved it. Uh, I know it's we, we can't reference anyone to go and see it now because it's no longer there. But, uh, you know, oftentimes in our industry, we have these very complicated color menus, which to us mean something, but to the consumer mean nothing.

[00:23:29] **Antony Whitaker:** And I remember looking at it for the first time ever thinking someone has finally cracked what a menu should look like from a consumer's point of view, that they can see exactly what that means. And, uh, so it's a shame that it's no longer there.

[00:23:44] **Antony Whitaker:** So, uh, unfortunately COVID, uh, laid waste to a lot of, great businesses out there. So, um, I know you haven't retired, but you've sort of effectively retired from the day to day running of the salons after, many years, you know, being behind the chair and

[00:24:01] **Sean Hanna:** say it. Yeah. Just say it. Almost 50 years.

[00:24:03] **Antony Whitaker:** Well, I know you

[00:24:05] **Antony Whitaker:** said it in, I know.

[00:24:06] **Antony Whitaker:** you said it in your book and I thought, my God, I didn't realize it was that long. Um, but what I wanted to ask you about was talk to us about why it's important to, uh, be evolving the business all the time, because I mean, that's what your, ebook is about.

[00:24:23] **Antony Whitaker:** It's about your journey. It's about evolving and you very, consciously have evolved that business every step of the way. Um, you know, whether it's buying real estate, investments, uh, and planning your exit strategy, et cetera. So, you know, I come across, and I'm sure you come across many salon owners that.

[00:24:43] **Antony Whitaker:** Face it when you were 30, when I was 30, when you opened a salon, you didn't think about an exit strategy. I mean, it was the last thing on your mind, but at what point. Should salon owners be thinking about an exit strategy and what are some of the things that you think they should start putting in place?

[00:25:00] **Sean Hanna:** Well, I think that when you go back to the six phases of the entrepreneurial guide, if you like, you know, so stage two, when you're building your first salon really is all about trying to make it successful. It's very hard to build an exit strategy if you haven't got the success to underpin it.

[00:25:18] **Sean Hanna:** Ultimately, the salon has to make money. I had an interesting conversation with someone just a couple of weeks ago. And he said, well, he said that, you know, we've made virtually no profit this year, but you know what? We've had a great year and, uh, we don't mind not making a profit.

[00:25:33] **Sean Hanna:** We've had like, you know, we've done some really good things. We've done some good charitable things and whatever. And I'm talking to him and I think this is a lifestyle business, you know, that's great. And there's nothing wrong with that, but you know, I'm, I'm thinking that mindset if you want to have security when you finish, it needs to change.

[00:25:52] **Sean Hanna:** Um, and I suppose the thing is, at the age that I'm at now, and a lot of my friends are at this age, and we're all at this sort of stage of saying that, you know, we've been lucky, we're fit, we're healthy, we're enjoying life to the full. We could go on for another I don't know, I don't want to touch, I don't want to, I don't want to jinx it, but, you know, I'd like to think that it could be another 20 years ahead.

[00:26:15] **Sean Hanna:** Um, and we want to have fun and, you know, we want to provide for our families and we want to, you know, have some sort of, uh, what I'd call generational wealth. Whereas when I'm not there anymore, that, that, that, you know, my family, uh, have got something as, as well, um, and that takes time.

[00:26:35] **Sean Hanna:** Certainly, by the time, it's very difficult when someone comes to see me and they're sort of 63 years old and saying, look, I want to retire in four years' time. And I say, well, what is your freedom number? So that's the first starting point. What, what is it? How much would you genuinely need to be able to, to do that?

[00:26:51] **Sean Hanna:** And often they don't know that. So I kind of helped them to, to, to work that out, but once they've got that, if they know we're near it in four years time, you can't do it. If someone comes to see you at 40

and says, look, you know, business is doing great. We're making quite a lot of money. Um, and now we need to sort of think about our future.

[00:27:10] **Sean Hanna:** They're good conversations to have because they got all the 20 years you can do a lot of Yeah, obviously, if you can talk to a bit like talking pensions, talk to someone at 21 about pension. There's a very few people that switch on to it, but you talk to someone at 61 they don't want to talk about anything else other than the pension because it becomes somewhere in the point you got to start.

[00:27:31] **Sean Hanna:** And I would have said, you know, by the time you get to 40, you really need to sort of start to think about it if you haven't done it already. Um, because, you know, 10 years is a short time in terms of creating wealth. Unless you, unless you come up with something really magical, you know, and I know it happens.

[00:27:50] **Sean Hanna:** I just don't meet many people where that happens. For most people, it's just, I think I say in the book, you know, the actual making money side is quite boring. It's about saving, investing, you know, maybe, you know, for me, I kind of was very much into, I loved property. So I bought quite a lot of property and I still got a really nice portfolio, which is really, um, brings quite a lot of joy, um, and financial security

[00:28:14] **Sean Hanna:** um, but I think for. Whatever it is that floats your boat, there's got to be something because, you know, I know for most people, they kind of imagine that at the end of the journey, they're going to sell their business for like, you know, X million pounds. And, you know, it rarely happens. Certainly in the UK, we don't see many big transactions happening at the end of a business journey.

[00:28:37] **Sean Hanna:** So it's almost like, The business is the thing that gives you your lifestyle. It gives you your income. And then with a little bit of common sense, you turn the income into creating wealth. And at the beginning, it feels quite small and insignificant, but over time, and the time is a key factor, you can, that insignificant wealth becomes quite a significant wealth.

[00:28:58] **Sean Hanna:** And when the business stops, you've still got that. And that's the thing that will continue to look after you once you stop working. So, um, yeah, I think answer to your question is if you haven't started thinking it by

40, I would really try and get on the, the mindset of thinking of one day, this is going to stop.

[00:29:17] **Sean Hanna:** And what would I like life to look like when I finish?

[00:29:21] **Antony Whitaker:** Yeah, that's, that's really good. It's all about the, um, I have to say this word because it's the thing I wrote down intentionality, you know, of just being intentional. I don't even know if intentionality is a word, but you know,

[00:29:34] **Sean Hanna:** It is now.

[00:29:35] **Antony Whitaker:** it is

[00:29:36] **Sean Hanna:** Antony, Antony Whitaker word.

[00:29:38] **Antony Whitaker:** Yeah. Because You can, you describe someone who was, I think you said they were in their forties and they said they hadn't made much profit this year, but they'd had a really good year.

[00:29:48] **Antony Whitaker:** So, they're fit, they're young, they're healthy, business is good, they're living a good lifestyle. The business is paying for the car and the holidays and you know, they're paying themselves well out of it and they're having a good lifestyle. But that's a trap. I think a lot of salon owners fall into. Is it?

[00:30:04] **Antony Whitaker:** Unless you're intentional about evolving that the next stage, it starts to gradually just sort of slide away from you, doesn't it?

[00:30:14] **Sean Hanna:** Yeah. And you're absolutely right. And, you know, and quite often, you know, you'll go to a fancy hairdressing event and you see all the sort of Prada suits and all the stuff that kind of goes in. And, you know, there's this sort of thing of like, I don't know if there's other industries have this, but certainly in hairdressing, you know, there's definitely a sort of thing of like, we're trying to impress sometimes the, our competitors like really our clients are our clients.

[00:30:40] **Sean Hanna:** They're the ones we need to be impressing and, and, and winning the business for. And I probably, uh, I'm quite surprised sometimes by how important it is for hairdressers sometimes to almost ignore

the client and say, no, I want other hairdressers to see me in this particular way. And I think why, you know, like they are not going to contribute anything towards your, your lifestyle unless.

[00:31:06] **Sean Hanna:** Your business is other hairdressers. So, if you, you know, if you're an education person or you're, you know, you're selling to salons or salon owners, and then obviously that's different, but most headdresses, you know, working in a nice salon in a nice high street, their market is not other hairdressers. And yet they quite often can get sucked into sort of, well, what other hairdressers to see me in a certain type of way.

[00:31:26] **Sean Hanna:** And it's like, well,

[00:31:27] **Antony Whitaker:** Yeah.

[00:31:28] **Sean Hanna:** So, you know, look at the hair, look at the work they do sometimes for their imagery, you know, they got their clients are like all 40 to 50, maybe 60 years old. They've got like, you know, you know, nice, fluffy, uh, slightly long, slightly layered haircuts. And they're sort of doing these way off haircuts with shaved underneath and sharp fringes and bright colors.

[00:31:49] **Sean Hanna:** It doesn't reflect anything that their clients do, but they put it in the window so that other salon owners go, Oh my God, they're really good. And, uh, and it isn't a criticism and we've done it ourself. And, you know, we're starting out. We, we, we, we've been, been there. So, uh, you know, I'm not sitting here going, oh, Well, you're silly for doing it.

[00:32:05] **Sean Hanna:** I'm just saying as an industry, we can get sucked into that journey and actually we have to sort of reel it back in and say, no, that isn't where it should be refocused on the clients and enjoy the business, enjoy the team, build the team teams, really, really key if you want to have a good business, you've got to have a great team.

[00:32:24] **Sean Hanna:** Um, and I've been lucky over the years to have like just such amazing people that have worked with me over the years. And I feel incredibly lucky for that. Um, but you know, and then turn that into like a genuine wealth that you can sort of walk away with at the end and say, right, okay, no, I don't have to think about money for the rest of my life.

[00:32:43] **Sean Hanna:** That's lots of other things to think about. And I'm the first person to say, you know, money won't buy happiness, but you know, when you've worked so hard for so long, and a lot of people work on their own business for 30, 40, 50 years, and it's, you know, it's really, really hard work. There's no, hardly anyone I meet as a salon owner and says, yeah, this is easy.

[00:33:05] **Sean Hanna:** It's difficult at the end of it. You'd really want to be able to walk away and say, I'm okay now. I've done all that hard work. I just want to be able to not think about that side of it.

[00:33:14] **Antony Whitaker:** Yeah. Yeah.

[00:33:15] **Sean Hanna:** about other things, my health, my family, the things that are really important to me. Don't want money to be on that list.

[00:33:20] **Sean Hanna:** You know.

[00:33:20] **Antony Whitaker:** Yeah. You mentioned property and how you've built up quite an extensive property portfolio. And, uh, I know that you also built up a significant, uh, salon brand. Uh, what I wanted to ask you about was, your head, the conversation you were having with yourself, did you make choices about, I want to, like the business is profitable. I'm going to take that profit and invest it into property outside of hairdressing. Or did you say to yourself, the business is profitable

[00:33:53] **Antony Whitaker:** I've got the Midas touch with building a salon brand. I'm going to take the profit out and open another salon. Talk to me about your thinking around that because I think a lot of people grapple with that.

[00:34:04] **Sean Hanna:** Yeah, um, I, I suppose the easy answer is that you try and do both. Um, and a lot of it is about being creative with how you fund a salon. So if you think of a salon is actually like it as when you do your business model, effectively. So, and we've, you know, we've made mistakes when we opened our. Sutton salon.

[00:34:25] **Sean Hanna:** That's like salon number four. We had quite a lot of cash at the time and basically, we just paid for everything in cash. So we set up the whole salon. We didn't borrow any money. Um, I mean, it was a long time ago. It was about 300, 000 pounds at that time. So, uh, you know, there's a

significant amount of money, um, looking back, we could have set that selling up probably with about 90, 000 of cash and put 210, 000 into, something that would have been, probably more wealth creating, right?

[00:34:59] **Sean Hanna:** Um, but you know, it was a, it was a naive decision that we made at a time. Each time you do it, you learn. So you go back and so you look back and you think, well, why did I do that? You know, like that, that probably wasn't the best business decision. And you kind of add that into your thing. So moving forward, you, you would do it.

[00:35:15] **Sean Hanna:** Now, if you're running profitable businesses, then you should be able to evaluate the how much money you need to put in to be able to make the business model work. Now, if you only need to put in a hundred thousand to make the business model work and you can get funding for the rest of it and it still works, then that probably would be a sensible option.

[00:35:33] **Sean Hanna:** If you can only do either or, you know, I think at the beginning, if you want the bigger brand and, and I didn't at the beginning, ironically, it kind of, it kind of caught up on me, really, I suppose, by, by accident. Um, I think we ended up with 10 salons and an academy and kept on saying, we don't want to be big, but you know, the team are growing and they want to do things and you kind of get, kind of get swept along with it, but, um, probably by

[00:36:00] **Sean Hanna:** salon number three, we were investing quite a lot into property. So it was kind of like trying to do both. And if you could only do one, I think you'd have to look at the, you'd have to look at the, that individual thing. I don't think there's one answer because if you, if you can create a salon that's going to give you an income of two, 300, 000 pounds, dollars a year, um, that income will be able to allow you to generate

[00:36:28] **Sean Hanna:** into buying more property. If you just put the money into property, then you couldn't do that. But you know, if the business is only going to make you 30, 000 a year, you're probably better off just putting it into a property, but you almost need to be able to sit down with someone and look at their proposed business model.

[00:36:42] **Sean Hanna:** Look at what they've achieved already and saying, right, okay, what's realistic here and to how old they are as well it makes a big difference as

[00:36:49] **Antony Whitaker:** Sure. Yeah.

[00:36:50] **Sean Hanna:** you know,

[00:36:51] **Antony Whitaker:** Okay. Uh, good advice.

[00:36:53] **Antony Whitaker:** I think I've maybe read this on your website that you have a, an employee ownership trust.

[00:36:59] **Antony Whitaker:** Um, did I read that on your website?

[00:37:01] **Sean Hanna:** Um, no, what we said is we, we sometimes help people work out how to get out of their business.

[00:37:08] **Antony Whitaker:** what is it? Well, how does it work?

[00:37:09] **Sean Hanna:** So basically what happens is that you sell the business effectively.

[00:37:13] **Sean Hanna:** So if you say you get to the end of your business life. You want to come out and your salary, you've got one salon where you've got three salons, whatever, and you think that they're worth half a million pounds. So maybe they're generating 150, 200, 000 pounds a year profit. They do strongly rely on you, um, effectively.

[00:37:32] **Sean Hanna:** And if you sort of said, right, I'm going to put this on the open market. You might find that actually you don't get any takers. And if you do get takers, they might want to offer you. 150, 000, not 500, 000. But you know that the profit is already genuinely there. So sometimes what you can do, you can put it into something which is a trust.

[00:37:50] **Sean Hanna:** It's very tax efficient to do it that way. The trust effectively will pay the agreed price, a fair price. So a fair price might be the 500, 000, um, the employees then directors of the trust, they could be directors on their own, or you could even still be part of that should you wish to be part of it to give them guidance along the way.

[00:38:13] **Sean Hanna:** Um, and, and essentially, they will pay back out a profit, the 500, 000. Of course, the downside is if they don't make any profit and the business fails, you don't get paid. Um, but you might argue that you

might not get paid anyway. But but more and more businesses are actually using that model to inside and outside the industry is a speaker.

[00:38:37] **Sean Hanna:** I'd say outside the industry. I'm seeing it a lot inside the industry. I'm just seeing people beginning to sort of come to terms with with that. Obviously, if you had a cash purchaser that would purchase it for a price that you think is the right price, then you probably going to go with that. But if you haven't got that and you want the team to be.

[00:38:57] **Sean Hanna:** Perhaps have to share in the future because once you've come out, once you've got your money, they've got everything. So if you've got a great team, it's a really good way to get them on the ladder without them having to put up too much money, because obviously that's a barrier for them. Um, and if they're able to make it work, um, they can end up with a really good business.

[00:39:19] **Sean Hanna:** You get paid a good money and it's tax efficient for you. It's tax efficient for them. So the whole thing is, it can work quite well. But you've got to be really clear who the person is that's doing it, what their motivation is, how much money they want, the team that they're putting in place, because it won't work if you haven't got all the bits of the jigsaw in place.

[00:39:39] **Sean Hanna:** But it's a really good option for someone who's got a good business. They want to get out and they haven't really got a buyer that will pay. I think

[00:39:52] **Antony Whitaker:** Um, last thing I want to ask you about is that over, you know, the course of your career, uh, you've opened plenty of salons, uh, and you've never been afraid to close a salon if it's not working. So talk to us about knowing when it's the right time. Uh, what do you factor in? How do you know

[00:40:11] **Antony Whitaker:** when you need to close a salon? because I think a lot of people get very emotionally attached. I remember my first salon. I was so emotionally attached. I couldn't believe when I had to actually walk away from it for the last time. Um, but you, you've obviously sort of become like a bit immune to that.

[00:40:28] **Antony Whitaker:** It's like, it's a business, like, is it just the numbers that tell the story to you? I mean, how do you do that?

[00:40:34] **Sean Hanna:** it's called getting old. And self-preservation kicks in. So probably like you on my first salon, I was extremely emotionally attached to it. We did have a salon, salon number five, actually. We had a salon that we opened. It launched really well. It was really successful. Profitable pretty much from day one.

[00:40:55] **Sean Hanna:** Um, and, uh, it grew and was doing quite well, had a great team in there and we had a really bad accident where one of the. One of the girls in the salon was killed. Um, and the salon pretty much just died. Um, uh, in the sense that, you know, the team created almost like a bit of a, like a memorial in the salon.

[00:41:24] **Sean Hanna:** Clients were coming in and going like, well, I know it's very sad, but actually I'm, I'm paying good money to come in and feel good. I don't, I'll, I'll, I'll feel sad once, but I don't want to feel sad every time I come in. And I think I was still quite young. I didn't really have the experience to deal with it.

[00:41:37] **Sean Hanna:** I was sort of trying to be, do what I thought was the right thing. Um, but we literally have to turn over within six months. Um, and then there was some external factors that, um, that contributes to salon and eventually we were running at a loss of nearly 100, 000 a year and we ran that for five years and I thought I'm never ever going to do that again.

[00:41:58] **Sean Hanna:** Um, because the salons that were doing well, we're now paying for the salon that wasn't doing well. Um, and I think it was partly loyalty to the team. I really wanted to hang in there and do it. And like you say, the emotional connectivity and also legally, we hadn't really sort of structured it in a way that we could let it go.

[00:42:16] **Sean Hanna:** So following that, we then started to relook at all of the businesses and look at the legal structure and say, look, okay, if we do need to come out. Then we need to be able to come out. We need to have that choice. And, uh, you know, when you sort of think you put, you put a lot of time and money into something and whether it's making money or it's making a loss, it takes the same amount of time and it's taking your energy and it's sapping your energy.

[00:42:44] **Sean Hanna:** Um, and it's sometimes it's almost like, you know, probably everyone who owns a team or has a team of stylists working as a salon, they'll know they've got great stylists, they've got middle stylists, and there's one that whatever they do, the stylist is never going to work. It's just not going to happen.

[00:43:00] **Sean Hanna:** They agonize of do I let them go, do I not let them go, whatever, you know, I feel like we should support them. You almost have the same thing when you've got a group, you know, you have like all these salons doing great and then you've got this one over here that's like losing money and This is taking all my time.

[00:43:15] **Sean Hanna:** This one cell is making a loss. It's taking more time than all the cells are doing really well. Actually, do you know what? Just let it go. And okay. Legally, it's got to be structured to do that. Um, try and do it in a way which is as kind as possible. Make sure that the team are looked after. We've almost never really had to, um, lose team.

[00:43:35] **Sean Hanna:** We've always been able to integrate team pretty much. I mean, Exceptions to that. But most of the time we've done that. And if we haven't been able to do it ourselves, we've tried to work with like a local salon to be able to say that, you know, we've got a whole team here. They're great. Can you, uh, are you able to take them on?

[00:43:55] **Sean Hanna:** We just do the best that we can. That's what we try and do. But yeah, I mean, it's but you know, there's no use running it. You're never going to get the money back. So unless you sort of think that, okay, if I put everything in, I'm going to be able to turn this around. I'm going to do amazing marketing. I'm going to bring in a new team.

[00:44:09] **Sean Hanna:** I'm going to swap team around. Then you sort of think if you've tried it all. Then just be strong. So, you know, do you know what? You're going to feel so much better when it's gone. Uh, someone once described it to me. It's like taking the tooth out. You know, you've got this tooth. I don't want to take it out.

[00:44:23] **Sean Hanna:** I really don't want to try and make it. Actually, once it's gone, it's that's great. Horrible taking it out, but you just feel so much better. And actually, it's a bit like that. If you've got a salon that's making a loss, then let it go. Put your energy into something that's actually going to do good.

[00:44:36] **Antony Whitaker:** Sure. Okay. All right. Well, listen, we need to wrap up. Whereabouts can people connect with you on Instagram or website or other social media channels?

[00:44:44] **Sean Hanna:** No, so just on the website, um, seanhannaconsultancy.co.uk. Um, you can download the book for free. Um, there's information if, if people want to reach out, there's ways to reach out on there,

[00:44:56] **Antony Whitaker:** Okay. Well, look, I'll put that link on our website, growmysalonbusiness.com, uh, and in the show notes. It's for wherever you're listening to today's podcast. So don't forget to subscribe and leave us a rating review So before we wrap up, Sean, I just want to say thank you for being such an open and transparent guest on today's episode of the Grow My Salon Business Podcast.

[00:45:18] **Antony Whitaker:** Any final words before we push the stop button?

[00:45:22] **Sean Hanna:** Well, just, I think if you have got that ambition and you want to, to, to grow, think about, you as you get older. And that's such a boring thing to say and it needs an old person to tell you, but you know, when you get to the age that I'm at and my friends are at, and I know things could go wrong tomorrow, but you know what, we're having a great time.

[00:45:43] **Sean Hanna:** And a lot of that is as a result of difficult decisions that we took when we were younger. So if I can encourage anyone to walk the difficult path, that allows you to have a great time while you're doing it. But still secure your future when you get old, and that's what I'm going to encourage you to do.

[00:46:00] **Sean Hanna:** But whatever you do, enjoy it, and uh, yeah, thanks for being a hairdresser, because actually we need lots of good people out there.

[00:46:07] **Antony Whitaker:** Exactly. That's perfect advice to finish up on. Thanks very much for that.

[00:46:11] **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

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