

GMSB 303

[00:00:04] Hello, and welcome to today's episode of the Grow My Salon Business podcast. I'm your host Antony Whitaker, and as always, it's great to have you join us here today. This is the weekly podcast for the ambitious stylist and salon owners. Every week, I either bring a guest onto the show or I'll dive into a new idea or revisit the foundations of what it takes to succeed in the salon industry today.

[00:00:27] With every episode, I will aim to bring you practical and actionable opportunities that you can run with today. Now my guest today is former San Diego Salon owner Keri Davis-Duffy. Over the years, Keri has made a significant contribution, especially to the American salon industry as both a hairdresser, a salon owner, educator, and coach, and has recently sold her salons and has now focusing on her consulting business.

[00:00:56] So today I want to draw on her experiences and the wisdom gained as a multi-salon owner for over 30 plus years. In today's podcast, we're going to discuss the importance of staying curious and evolving with the changing times. We're going to talk about what Keri sees as the biggest challenges and opportunities in the industry today, and some quick-fire observations that come with a lifetime of running a successful salon group.

[00:01:24] And lots more. So without further ado, welcome to the show, Keri Davis-Duffy.

[00:01:31] Thank you so much for having me, Antony It has definitely been a while.

[00:01:35] It has been. In fact, I was thinking about it before, and I'm thinking it was during, I hate even using the words, COVID. It was during COVID and we pretty much met on, clubhouse

[00:01:46] We did.

[00:01:47] and we had some fantastic conversations. And I mean, and I thought Clubhouse was going to be with us forever as a social media platform, but it came and went so quick.

[00:01:55] It served the purpose and. And that was it. But I met a lot of people on that, that I haven't met since or before a bit of a shame, isn't it?

[00:02:03] It is. But what was so great about it is meeting people like you, and I think we have the same core values in this industry, right? We connected on so many things, so we ended up on so many groups together.

[00:02:15] Yeah, exactly. And there was some fantastic discussions on that. So, uh, I don't know anybody who still uses it and probably half of our, uh, audience are thinking What's Clubhouse? You know what I mean? So, there you go. It's, it still exists, but it's, uh, it's effectively gone. Okay. I am going to introduce you to, uh, our audience.

[00:02:34] So Keri is a former. Salon owner and I only just found out that she's now a former salon owner and she had three salons in San Diego, California. and they were very successful businesses. She had multi-awarded salons. Uh, she's a multi-awarded hairdresser. She's not just a business owner. She started behind the chair and she has an incredible reputation.

[00:02:55] Everyone who knows her. and the American industry always talks very highly of her, and one of the things that I really, uh, liked about her business is that they were in San Diego, California, as I say, and most of the salons there are not employed. They are rental based. And Keri hang on to or hung on to, I should say.

[00:03:18] Hung on to an employee based business model and that is quite unique. So there's a lot of stuff in that that we're gonna talk about today. So I know she opened up her first business in 1992, so that's a long time ago. And she has only just very recently sold up her salons, but she still sort of dabbles with them, or she's a an advisor, let me put it that way.

[00:03:40] And she has a business consultancy as well. and I know that in, as I said in California, there's a lot of changes there or had been a lot of changes, around the employment model. Where they bought in, hourly pay and effectively sort of changed, uh, the commission model.

[00:03:58] So I want to start off by just getting you to talk about the, employee model. Employee-employer model because you were so passionate about it, and you built a fantastic business that showed off all the best attributes of having, uh, employed staff. So over to you.

[00:04:17] Yeah. Well thank you for all of the kind words. I just want to just say, and also thank you for having me today. It's an honour to be here. I think back when you talk about opening my business in 1992, which my mom and I

opened a little thousand square foot studio in 1992. We had eight staff there and we, we grew from there.

[00:04:35] But, when I thought about opening a business in general, and I think this is where this employment based business idea came from, started off working as an independent because. We were trained that way a little bit outta school. It wasn't something that in school, they trained you to find a place with a training program and you find a place where you can have all these benefits.

[00:05:02] And I think was in, I was in my, the second salon that I had worked in, and I was in the industry for probably six years. I worked in my very first salon for three years. They ended up closing. I was forced to move to another business, and I moved to another business, and after about three years, I thought to myself, why can't I have the things that my. Friends were having that were out in the corporate world, why didn't I have those benefits? Just because I was a hairdresser. Why couldn't I have a retirement plan? Why couldn't I have a, vacation pay? Why couldn't I have like, just these benefits that my friends were getting offers when they were going out to start their career? I didn't see that where I was interviewing or in the salons that I worked for. I thought to myself, can I create that?

[00:06:00] Can I create a business model where people can come in and feel like they have a career, not a job where they feel like they're taking care of with paid vacation and they can take time off without having to worry about, I'm not making commission so, or I'm not, not there and I can't pay my rent, whatever the thought process is as hairdressers that we have when we take time off. so I roped my mom. Who was not in the industry at all. And I said, Hey, do you wanna go into business with me? And this is the idea that I had. And with her blind trust and faith, I don't know why, because I wasn't a great kid. So, um, she came on this journey with me. And so together, you know, we created right from the jump, business model that had benefits to it.

[00:06:47] And, and I think what I learned. When we first started that business is that all of those were great ideas and we still have 'em and had them, and have them to this very day. And I know you and I will get into this at some point today. if your benchmarks and metrics are not there too, then those extra expenses. Could also have a tipping point in a negative way.

[00:07:12] Yeah.

[00:07:13] all about balance when you're taking on a business model where you offer a really nice, healthy benefit package.

[00:07:21] Yeah. Okay. You know, I'm sitting there thinking, I mean, I live in the UK but I did live in Australia for a while and I had salons out there as well, and I just wonder why it is like it is in America in Australia and the UK, of course, you get those benefits. Everybody gets those benefits, they get holiday pay and vacation pay, they get sick leave, whatever.

[00:07:41] Some countries more so than others, I mean, in Australia you get a lot of that sort of stuff and you know, why? Why is it, as you've said, it's not like it's an American thing for employees, full stop it's employees in the hairdressing industry or certain industries. But if you work, if you're working in corporate.

[00:08:01] Of course you get holiday pay and you probably get sick pay and you get a pension fund and all that sort of stuff. So it, it's interesting that hairdressing amongst a few other trades or industries I suppose has, has been, not a player of that on mass. It's down to the individual salon like yourself.

[00:08:20] Any idea why that, historically, why that is?

[00:08:25] I don't know. I, I, I don't know why that is, but when you think about the service industry in general, even like the, you know, the automobile industry, you know, if an auto shop or there are certain service industries that just don't fall under that umbrella, that it has been a trend or a natural way of doing business to where there are benefit packages that go along with jobs like that, and it's up to the individual. Business owner to create the environment that they wanna see. And I, I mean, I think the good news is we get to create what we wanna see, the, the bad news is, is that it's not a norm. It's still not a norm to this day.

[00:09:05] Yeah. And I suppose in some ways, that helps fuel the self-employed business model. Because if you're working somewhere where you get all these benefits, it's like, well, why on earth would I want to give this up and go out on my own? Whereas the way it's structured in the US you can sort of understand why a lot of young hairdressers would go, well, I might as well go out my own, be my own boss, and you know, look after all these things myself because I'm not getting them from working with someone else.

[00:09:32] Yeah. That's interesting that okay. I sort of alluded to the Californian employee laws that changed. I can't even remember. It was there, you know, was it five years ago?

[00:09:44] 2016.

[00:09:45] Oh my god. Nearly 10 years ago. Okay. So that was a huge upheaval for a lot of people. and one of the things I always find interesting about the United States full stop is.

[00:09:58] That there are federal laws, but then there are 50 states, and then within 50 states there can be completely different laws and ways of doing things. So it's sort of sometimes like talking to 50 different countries. But, what they did in California effectively to change the way that hairdressers were paid and make it hourly.

[00:10:18] Can you talk to us a little bit about. Why they did that. And I didn't wanna sort of dig into how does hourly pay work, because I know that some other states are, are sort of looking at following California, but I also know just outside of America that a lot of people are interested in an hourly pay model, potentially more so than a commission based model. so what are, what are your thoughts about that?

[00:10:42] I have so many thoughts and it's, and it has been over so many years. It's almost been a decade as you said, that this started, and I think in 2016 when the legislature changed, the law changed around our industry, which was, and it was, I think back then it was the AB 1513 is was the actual bill. That hairdressers got, I'm gonna say, attached to the hairdressing industry got attached to, but it started off as an agriculture bill

[00:11:15] and somehow the hairdressing workers got attached to the agricultural workers. And how they have to get paid. So in agriculture, if you go back to that bill in agriculture, like if you're out, say, picking cotton or picking fruit or whatever,

[00:11:32] Yeah.

[00:11:34] people would get paid when they would bring their basket and how many baskets they would have. They would be paid per,

[00:11:41] Piecemeal or

[00:11:43] Yeah. Yeah. Okay.

[00:11:45] And and sometimes it would be a minimum wage or this, or how many baskets and they'd get paid whichever one was higher.

[00:11:53] Sure.

[00:11:54] sometimes they would just get paid per production.

[00:11:57] Yeah.

[00:11:57] at our industry per production would be, well, I'm just gonna pay a hairdresser on based on the production that they're bringing in a day. So somehow some way hairdressers got attached to that bill.

[00:12:10] California and that it changed the legalities of how we can pay in California because California is like nation, and to itself it's

[00:12:23] It, it is, yeah.

[00:12:24] we're a very extra state and in good ways and in challenging ways for business owners.

[00:12:30] And so a change in 2016 and, we had always been commission or hourly, whichever was higher, we would pay, but we always paid a base. But not everybody paid a base. Some people just

[00:12:41] Hmm.

[00:12:42] commission. And so I do understand that and I believe that there needs to be an hourly rate. If somebody is being told to be at work at a certain time, they need to be compensated for that work, whether they have a client or not.

[00:12:52] That's Of course. Yeah.

[00:12:53] personal belief.

[00:12:54] Yeah.

[00:12:55] I wasn't that mad at it, but it changed again in 2018. So it changed actually two times. So imagine as an owner that has been owning a business for years, you paid your people a certain way. And when you think of staff retention, why people leave, there's multiple reasons.

[00:13:11] There's, they leave the management or, there's a compensation issue or they feel, financially insecure, whatever the pieces are. When you change a compensation model, That has the potential of being a disaster to your retention.

So this wasn't just something that you could just do because as you said, at this same time, the independent model was in strong.

[00:13:35] All of the suites were coming in, the independent chairs were coming in, and there was a vast opportunity for all of our employment based. team to say, you know what, I'm gonna go next door and rent a suite or rent a space and I don't wanna, I don't know if I trust this, or if you didn't launch it, launch this, whatever, pay changed the right way. risk was great. And so not only did it change once in 2016, it changed again in 2018. And in 2018 is when we had to go full hourly 2016 to 2018. You could still get away with this kind of hourly or commission, whichever is higher. 2018, I believe, maybe 2019 is when it changed again and we had to go hourly.

[00:14:21] Okay.

[00:14:21] only way to pay which you still can in California, if you first pay double the minimum wage. California, our minimum wage is almost \$20 an hour. So that means that a person coming in that's barely building their business, if we put them on commission, would potentially be making \$40 an hour, and

[00:14:45] their haircut is \$40. So what does that mean for the owner? There's no,

[00:14:51] Yeah.

[00:14:51] there. There's, there's, right, there's no margin.

[00:14:53] Yeah.

[00:14:54] So in 2018 when this hourly, Law came down is when a couple of friends of mine and I went to work to come up with a hourly program, and they don't give you an hour. They don't give you any guidelines on like, well, this is how you should do it.

[00:15:14] I mean, you just have to kind of come up with what is that gonna look like for your business. spent about three or four months coming up with a compensation plan we felt was. Aligned with a commission but secured our staff that whether they had clients or not, were still being compensated an hourly rate.

[00:15:39] So we came up with a program called Adjusted Hourly Rate, and I don't know how much you want me to go into that, but that where we, we,

assess. Their hourly rate every three months in periods. We created three month periods

[00:15:55] Yep.

[00:15:55] we assess the hourly rate four times a year and it either went up or down based on the hours they worked and their production and what their, I'm gonna say payroll benchmark was if it

[00:16:06] 42, 45, we all that, we put into a formula and we assessed what the production was the previous three months and that created an hourly rate for the upcoming three months.

[00:16:19] Yeah. Got it. Yeah, that's, that's exactly what I, you know, used to do. and so I wondered, and, and so you, I heard you just say it could go down or it could go up. So did it, did it go down?

[00:16:31] Yeah.

[00:16:31] So for some people it did?

[00:16:33] for, yeah.

[00:16:34] Yeah.

[00:16:35] if you think about, and this is what, and again, this. This is massive. You have to be, as a leader, such a great communicator. You know this great leaders know this, that if you don't know how to communicate to your team and speak into their listening,

[00:16:48] they think not how I think, how they're going to perceive and process something. We have to be masters at that or se lavie to the

[00:16:56] Yeah.

[00:16:59] When we launch a program like that, we have to liken it to, if somebody's on commission. If you're on commission and you work, say 35 hours one week, and you bring in \$2,000 in that week, let's just say, okay, US dollars 2000.

[00:17:14] Based on the hours you're working, if you divide that out, you're gonna have a certain hourly rate

[00:17:19] Yeah.

[00:17:19] production in the 35 hours.

[00:17:22] Yeah.

[00:17:22] Then let's say the next week you work the same 35 hours, but you only brought in \$1,700 that week if I divide the hours by how much I brought in,

[00:17:33] Hmm.

[00:17:33] rate technically went down. I worked the same amount of hours. So even in commission salons, it

[00:17:38] Yeah.

[00:17:38] It's a wave. So it was very important that our staff understood that they were experiencing that already it was only going to go up and down every three months.

[00:17:48] Yeah. Okay. Yeah. Got it.

[00:17:50] based on their production. We did do six week check-ins.

[00:17:53] To say

[00:17:54] That's interesting. Yeah.

[00:17:56] the three months. So

[00:17:57] Yeah,

[00:17:57] if you're trending down from your last check-in your last hour adjusted hourly rate, you better kick some booty up this next six weeks to either maintain where you are or to get a raise.

[00:18:09] But yes, it fluctuates and it could fluctuate 5 cents, or it could fluctuate \$5.

[00:18:15] yeah. Yeah.

[00:18:15] on their production and the hours that they were working.

[00:18:18] Yeah, I, I essentially did that, uh, when I had my salons and, the threat was always there that it would go down,

[00:18:27] Yep.

[00:18:28] but it never did.

[00:18:29] and I think it's because we did the check in every six months,

[00:18:34] because if you spread it over a longer period of time, it averages out the peaks and the troughs, and so it's, it is getting people to understand that, do you know what, you are already paid hourly. Everyone is paid hourly effectively.

[00:18:47] But you know, when you, when you get your head around it and you just go, if we look at what your paychecks were for the last month, six months, yeah, whatever, and then divide it by the amount of time this will, by the amount of hours you work, then this will give you that hourly rate.

[00:19:01] So you just do that every, as you said, every quarter. To then reassess what their hourly rate's going to be for the next quarter. I like the idea of the six week check-in as well.

[00:19:10] And the other thing about that is we didn't do traditional quarters where it was January, February, March, because yeah.

[00:19:16] seasonal. If you

[00:19:17] Yes.

[00:19:18] November, December,

[00:19:19] Yeah.

[00:19:20] Yeah.

[00:19:21] February, March. So we did what we called period. So we did period one through period four and like, let's just say period four would be November, December, it was December, January, February was period four.

[00:19:35] Oh, good. Yeah. Okay.

[00:19:37] we didn't want peaks and troughs, as you say

[00:19:39] Mm.

[00:19:40] peaks and valleys.

[00:19:41] Yeah.

[00:19:41] we didn't want that, right? We wanted to try to keep it so that people were only growing, but let's face it, if you, were, had a very slow period or whatever the case could be,

[00:19:52] Yeah.

[00:19:53] go down, the goal was always to go up and to give people an idea of what they were trending.

[00:19:58] So there were no surprises.

[00:20:00] Yeah. Yeah. No, I think it's a good system. and as I say, I know that other, states are sort of adopting that, and that's part of the thing that's, you know, as you just said, minimum early wage in California is around the \$20 mark, and yet in other states, the federal minimum hourly wage is \$7 something an hour.

[00:20:24] And the state. Have kept it at what the federal rate is. So

[00:20:30] Yep.

[00:20:30] just to get your head around that, that in America you can have a minimum hourly wage in one state of \$20 plus and in another state, same country, minimum hourly rate of \$7. It's like, yeah, it really takes a bit of getting your head around. uh, yeah.

[00:20:48] So, so one, one of the things I did wanna ask you is you said that you used to be able to have. Straight commission or commission and a, a base, I think you called it. Yeah.

[00:21:01] And then you said, but a lot of people were just paying commission with no base.

[00:21:05] Correct.

[00:21:06] Was that ever legal? Because I thought that was illegal.

[00:21:09] I thought you always had to, that the federal rate was there for a reason and you couldn't go underneath it. so I am right in saying that, but yeah.

[00:21:18] it's fascinating. When you think about, I never knew what you told me, that it had been tied to agriculture and no disrespect to people who pick fruit for a living or, or you know, whatever, but to on a par put hairdressing against casual workers and the fruit picking industry.

[00:21:38] Yeah, it is, isn't it? I was just trying to find a diplomatically correct way to say it, but it is

[00:21:43] were, we were

[00:21:44] ridiculous. Yeah.

[00:21:46] How did this get connected? So, it did, and to be honest, an Antony, and I know that this guess is crazy also, people are still paying flat commission with no base rate to this

[00:21:57] Yes, I know. I look, I, I don't even live in America, but I have a lot of coaching clients in America, and some of them told me it's legal. And I go, it's not legal. Like you break it. It amazes me that people don't understand that you cannot go, you can go above the federal minimum. But you cannot go below the federal minimum.

[00:22:17] And, uh, yeah. So it, it's intriguing that some people do still think it's

[00:22:22] depending on your state, you

[00:22:23] yeah, yeah, exactly.

[00:22:25] minimum, right?

[00:22:26] Yes. Yeah. In California, you can't go below the state minimum. you can go above it, but you cannot go below it. and the, the. Uh, federal is like a safety net. That there's, that's the bare minimum that, yeah.

[00:22:38] Alright. I said to you before we started the call, I said, if there was a, a topic. I wanted to talk about with you, because I try and frame everybody around a, a sort of a subject matter for me, and I decided for you it was going to be about wisdom. because you have had a lot of experience, you've been in the industry a while.

[00:22:57] You covered lots of different roles from, you know, salon owner to coach, to onstage platform artists to, business presenter. I relate to all of those roles. because it's sort of like we've got this mirror image journey that we've both done and you can't help but learn a lot. Not just from your own experience, but from the people that you're lucky enough to, to, to uh, work with or to help out or, you know, that you come across at events and stuff.

[00:23:23] So, that's what I want to talk about. I want to talk about the wisdom that you've, gathered over the years. so one of the first things I want to ask you is. Opening a salon today, 2025 in California or anywhere is a very different world to when you opened up in, did you say 1992? Yeah. So if you are that person listening to this today, a 25-year-old thinking, I'm gonna open my own salon, What would you do? What would you do different? What, how would you advise them to do? Because what worked in 1992 isn't necessarily gonna work in 2025, so what would that sort of kernel of wisdom be, around? Well, this is how I would do it today.

[00:24:07] I think that you could relate to what I'm about to say. 'cause I, I, we have walked such parallel paths. That when I opened my business, yes I did. think I want things to be different, and, I wanna have all these benefits like we talked about. But there was another big part of me that was as simple thinking as, a great hairdresser.

[00:24:31] I've been all over, I was 26 years old. I've been on, I've been on stages all over the world. I've spoken about business, I've spoke, I've done hair all over, and because I'm a good hairdresser, I'm gonna be a great salon owner.

[00:24:46] Yep.

[00:24:47] that's not wisdom

[00:24:48] Yeah. Yeah, exactly.

[00:24:50] that as a base

[00:24:51] Yeah. Yeah. Okay. Yeah, I think everyone can relate to that.

[00:24:54] Exactly, and so I'm sure a lot of clients that you coach, just like a lot of clients that I coach when they first come on, they're busy hairdressers.

[00:25:02] They are behind the chair full time and they're wondering why they're struggling to run their business. And I was one of those people. Not only was I doing hair five days a week, but then I travel and teach on the weekends, and then I'd come back and have to wrap my head around salon ownership again.

[00:25:19] And so I think. When you asked me the question, what does somebody, what should somebody know now that maybe we didn't have to think about then, even though we should have thought about it then

[00:25:31] was, what are all the elements it takes for a successful, sustainable, and profitable? Company, what are those elements? What are the metrics that I have to be looking at? What kind of a leader do I need to be and am I there? Am I leadership material or am I great hairdresser material? They're very two jobs, different jobs, and I think if we can take an honest look at what does it take to run. A business today the systems, the strategies, the communication, the leadership, the knowledge around the metrics and if I do a business plan, am I gonna be able to hit those metrics?

[00:26:17] If I get the right people and I have the right leadership, then I think that, and possibly get a business coach to, to do a double check on you, which we didn't have back then. Everything was by the seat of our pants. We just say, I think I could do it. I'm gonna jump. And then I look down, there's no water in the pool,

[00:26:34] Yeah.

[00:26:35] like, okay, well good luck. so I would say that when I think back, I'd say, you know, I had a great mentor Winn Claybaugh who back then when I very first opened my business, he was, Someone that we collaborated with and travelled and taught together all over the country, and he was my mentor and I'm grateful for that because he had had with such a wealth of knowledge, even 33 years ago.

[00:26:56] Hmm.

[00:26:56] For me, even when we

[00:26:58] babies, so that's what I think if we're gonna open, if you're leaning on opening a business, I'd say there are things you need to know so you're not blindsided because they're gonna become a thing, even if you don't think they are. You wanna have your head in the sand, they will become an issue for you.

[00:27:15] Yeah. Yeah. I know before we started recording I was, just talking to you about like, when I first started hairdressing, that a lot of salon owners were successful despite themselves. Because it was largely a cash industry. It was nowhere near as competitive as it is today.

[00:27:30] And so I suppose that's summing up what you've just said. It's that you know what, it's tough out there. And if you are gonna open a business, just being a hairdresser is not enough. You need to make sure you get a business education in the process, otherwise you're gonna lose your shirt because it's just not as forgiving, even nearly as what it used to be.

[00:27:51] 32 years in business,

[00:27:53] what would be the big moments of reinvention

[00:27:57] So they might be things, and I don't wanna put the words in your mouth, we've already spoken about one of them, the hourly pay thing. I think that would've been a big moment of reinvention for your business. I'm gonna assume that even for you, that you might've had some big walkouts or something that would've been a moment of reinvention, getting computerized.

[00:28:14] That might've been a, a moment of reinvention. what would you say, looking back on your career, what have been those big milestones that have sort of. Change the direction of your business or change your direction, how you think about business.

[00:28:29] all those things you mentioned. And there's one big one that really was a, I felt like a curse, but became a blessing because when you're in something really hard, you can't see the silver lining. just are focused on survival. And, um, remember, I, I think it been in 96, or 98. Was sponsoring, a gentleman to come over and work with me from the uk. we were sponsoring his citizenship to come over. He was an amazing guy and he was gonna come over and, become our educator, our educational director. And, um, you know, as you

know, to sponsor somebody to come over to get their, it's a long process, but he, um, we got him over and he worked with me side by side for. Many years and became, our educational director and kind of started moving into leadership and it allowed me step away from doing hair and work on my business instead of in my business. 'cause I mentioned before it was. Doing hair five days a week, leaving on the weekends, doing education, coming back.

[00:29:41] So it freed me up to really sit down and work on a business plan to expand the company and work on programs and projects that got, I think, pushed to the side. And so we had him, I had another guy that was education director for the cutting department. Someone that was education for the colour department.

[00:30:01] He became manager and I think that after he got his citizenship, he decided to, take quite a few people and open his own salon.

[00:30:13] That's nice of him, isn't it?

[00:30:14] I didn't know. Yeah, it was super nice of him. I didn't know. I didn't know that. Obviously at the time I found out from a client

[00:30:19] Yeah.

[00:30:20] overheard something, blah, blah.

[00:30:21] Okay, When they ended up leaving, and I was in a kind of a, I was in a small salon at the time. We were still in our thousand square feet, but we were doing upwards of a million dollars a year and a thousand square feet. So we were busting out of our skin.

[00:30:33] Wow.

[00:30:34] We were a very busy location. so when he left, the amount of clients that they did every week, collectively amongst them, alone my educator and my manager, all these different roles left. So what did that mean for me? had to jump back in and become the educator, the hairdresser, the manager again. And, that was business. That was a business changing event for me. And, was business changing in many ways. One, every day that I drove to work, I only worked about seven minutes away from the salon driving. I would cry. Okay. I was driving to work and I couldn't believe what my life turned into because it was chaos.

[00:31:25] Hmm.

[00:31:26] went from working on my business to working again, probably 10 hours a day every day, doing education on my days off and managing. So it

[00:31:35] Hmm.

[00:31:35] it went back to a seven day a week crazy chaotic schedule to be able to manage what was going on.

[00:31:41] So

[00:31:41] Hmm.

[00:31:42] day I'd be driving to work. And I would cry because I felt sorry for myself. I felt like, so I couldn't believe this happened to me.

[00:31:52] Hmm.

[00:31:52] and I was an educator and I, right, like I, I just couldn't believe this happened to me. So about two weeks into my driving and crying, I was driving to work and. I know you're gonna think this sounds crazy, but I do think we get messages whether we choose to listen to them or not.

[00:32:09] Hm. Ooh.

[00:32:10] us all the time. That's my belief. Right? And I think I, I stopped crying for a moment of peace to hear any kind of message that was kind of coming my way. And there was this message that I hear, my inner voice said, you wanna stay bitter or do you wanna get better? And it was like a breakthrough moment for me where I was like, I just wanna get better. Right?

[00:32:36] Yeah. Yeah. I.

[00:32:37] and I thought to myself, you know what, girl? Pull up your boots, pull up your big girl panties you've got this, like, you've done it before and you're gonna do it again, but you're gonna do it different. what the changing point for me was, is, Instead of giving one person such big jobs in my business, I created support jobs that people, somebody might have a little bit of a bigger job with a support, another little bit of a bigger job with a support person. And I did that literally from, I'm gonna say 1998, until the day I sold my businesses.

So that in the event. Not that somebody leaves when somebody leaves, because people in your business right now, when you're, if you're listening to this, you have people that are thinking about leaving right this minute that you have no idea about, right?

[00:33:28] What positions do they hold? And if they left, was there, is there a graceful transition to yet another that another PE person can jump in without a lot of disruption in that business?

[00:33:40] across multiple locations that we ended up opening. goal because of that situation was always to create support roles that I would never feel like I was left taking on the entire weight of the world when somebody left again, which I always, that was a aha moment for me that people are always looking to leave.

[00:34:05] You might have your long time listen still in the location I just sold last year, I have 22 people, 25 year people. I mean, amazing retention.

[00:34:14] But who knows at any time,

[00:34:16] Yeah, of course. Exactly.

[00:34:17] was one of my biggest defining moments along with the payroll thing some of those other things.

[00:34:22] But I think you would agree with this along with your listeners, that when it comes to staff retention, that's the thing that keeps you up at night. It's not like logistically, I have to figure out the payroll. I have to roll it out in a way that people understand it. whatever the situations are, but milestones would be that walkout specifically, and I have had other ones,

[00:34:43] Of course. Yeah.

[00:34:44] a teaching moment, and then every time I opened a new business, it was a teaching moment around how strong my systems were that we had developed in each location to be able to support business to duplicate.

[00:34:59] Yeah. Okay. I think you probably already answered the question that I was gonna ask you next, which is, what is the lesson like? Again, you're talking to that newbie who's about to go into business or just open the business, and you're going to give them one bit of advice on what they need to do, or the approach they need to have, or whatever the words are for when.

[00:35:24] Things all go south because things are gonna go south. It's just a matter of when and what and how often. You know what I mean? And, and I think it was, I think you said it in the car, you know, you've gotta get yourself by the scruffle and they can say, you've got this, you, I don't wanna put the words in your mouth.

[00:35:40] Is that the lesson? To own it, whatever it is.

[00:35:45] 100%. And as a leader, I think what a lot of people, leaders, managers, people that are in a leadership role. Don't step back and think about, and I'm saying this 'cause I witness, I witness it as a coach,

[00:36:00] how my clients are responding and reacting to their own things at work, their own issues, which is there is how I feel about something, how I'm processing something around what it means to my business.

[00:36:15] There's my process and my, my optic what's happening. That's how we see the world. That's, that's the glasses we choose to look out of. That's how we view how things affect us. But the more important thing that people, I think, don't their head around is the optics that our staff have around what is going on in the business.

[00:36:44] That's a very different optic, and I have this saying that either we get in front of the story. Of what's happening

[00:36:52] Hmm

[00:36:52] story will be front and centre that they create.

[00:36:55] Yeah, that's good.

[00:36:56] create the story and the optic that I want people to see out of my eyes and how I'm seeing it and what, how the business is going and where we're going, and that it's okay.

[00:37:09] Yeah.

[00:37:10] Or they create a story of their own that usually is not as good as a story I'm gonna make. And then that's the story they're living in, which could be dangerous.

[00:37:18] Yeah.

[00:37:19] they create an optic that is not lined up with how you want people to see your business.

[00:37:24] Yeah, no, that makes a lot of sense.

[00:37:26] front and centre and create the per the perception and the optic that goes the same thing with our customers out there. Marketing is all about customer optics and the narrative that we're putting out creates a perception. It's the same thing with our staff. We have to look at our staff as if they are our clients too. What is the narrative that we're putting out that creates the perception and optic that's looking back at us?

[00:37:54] Yeah. Yeah, exactly. okay, let's mix things up a little bit. I wanted to ask you about, gen Z because, that arguably is exactly, one of the things that we've been talking about, about defining moments that have changed your business with every generation that comes along.

[00:38:10] They have a new way of thinking, a new way of working. and some of it was magnified because of COVID without a doubt, but, With Gen Z, the buzzword that is always in the same sentence as talking about them is the word flexibility. So what would you have done or what did you do?

[00:38:26] Sorry. Not what would you have done? what did you do in your business? What have you done in your business to integrate new ways of working? Because it's very easy. You know, when we've had a business open for 25, 30 years or whatever, to, to sort of believe in that this is how it's done, and not realize that society and people's attitudes, the work, et cetera, are changing.

[00:38:48] So, as you just said, you've gotta get ahead of that and you've gotta create that change. So I'm curious as to what did you integrate into your business to enable more flexibility for, not just for Gen Z, but for people today?

[00:39:02] I think there were two big things that we, that we've changed over the last, I'm gonna say seven, eight years. one is, scheduling. A more flexible schedule and for us, for owners, for leaders, for me to look at my day and say, each one of these chairs. to be productive. not productive by one person.

[00:39:27] This chair could be productive by three people. so depending on how much people wanted to work, it was okay with me. I just knew that I had to

have more people to keep the chair productive. I. Instead of, my old way of thinking was, look, we all worked 10 hours a day and that was that for the chair.

[00:39:45] It's not like that anymore. So we have to look at each chair and say, how productive can this specific chair be, and how many people will I need to have in order for this chair to hit the goal of what it can hit? What, what is its, opportunity. the other thing that we changed dramatically was our education program and the length of time people are in education. So it used to be a year for cutters and two years for colorists, and now people are on the floor within six months. Yeah.

[00:40:11] Okay. Wow, that's good. That's fantastic. Okay. When you just said that about the value the chair can produce more than the value the person can produce. So how do you put that dollar value on a chair? say you've gotta salon with 10 chairs and you open six days a week, and you know, 12 hours a day, whatever it's gonna be.

[00:40:30] how do you work out a dollar value for a chair?

[00:40:33] Mm-hmm. Well, I think if you look at what your current business producing per client. Then how long are the clients in? If the clients are in on an average of an hour and your

[00:40:46] hour, you're producing \$150 US dollars, per service, not service in retail. Even if you did service in retail, maybe your average retail is \$15 a ticket.

[00:40:57] So

[00:40:58] \$165 an hour. For every hour that you're open, that each station should be producing on average. And you can say, well, if I'm open 10 hours or 12 hours, you take your average, spending of a client and you times' out by the amount of hours you're open, times how many chairs you have.

[00:41:18] Yeah. Okay, good. I mean, I know I don't give you any warning on what these questions are. You have no idea what I'm going to throw at you,

[00:41:24] None

[00:41:25] so no, let, let me ask you this then, you know, 'cause I know you, you travel a lot and you work with clients all over the country. what's the biggest challenge that you see for the industry today?

[00:41:36] Not necessarily in the United States, the industry, period. What's the the biggest challenge at uc?

[00:41:41] I think mentorship and inspiration is a challenge. I think that the inspiration that people get more online and surface, not doing a deep dive into ha actually how to, Technically mastercraft, it's very surface based on just where we are from social media to YouTube to all the social channels. Uh, I think it's diluted the learning process. so I think that's a challenge. And I think, I would also say leaders working on their leadership skills is another challenge.

[00:42:15] That the biggest thing you can do as a leader is continually work on yourself as a human to evolve and to become a better leader.

[00:42:23] I mean, if you could just keep doing that, you're gonna just keep showing up for your team in a better way.

[00:42:29] Do you think these days there are less leaders in the industry? Maybe partially because the industry has become so fragmented. there's sort of less big names when you, you don't like see a, a new generation of big names coming up. Do you? It's not just me that thinks that is it. Yeah.

[00:42:48] I, agree with you.

[00:42:49] yeah.

[00:42:50] Okay. alright, I'll got to some, some quick fire. They're not really questions. it's quick fire. Observations or bits of advice about these topics that I'm gonna throw at you? first one is, a comment about the importance of the relationship you have with manufacturers.

[00:43:14] That's evolved over the years.

[00:43:16] I'll say that over

[00:43:17] Okay.

[00:43:18] it's evolved, right? We used to rely heavily on our manufacturers for so much, and I have found now we rely less, but I feel it's still as important to have a relationship to be able to receive all the benefits that they are offering to help develop your company.

[00:43:37] Yeah, definitely. connected to that, advice, comment, observation on being an educator in the industry because. For a variety of reasons. I mean, you've done it. I've done it. there's always a lot of people that want that opportunity, that want to do that. What would you say to them about that?

[00:43:58] I, I have, I have so many mixed things to say about that because I see so many people that call themselves an educator as you do that, call themselves a coach, but have not walked in the shoes of what they're teaching.

[00:44:10] So to, to thrive what you're doing, know what you're talking about, be a master in whatever it is that you're gonna be teaching or sharing.

[00:44:20] Become a master in that if you want traction.

[00:44:25] Good. Great. okay. here's one to deal with. on dealing with tragedy. I. So I'm sure you've had tragedies with staff members over 32 years of being in business that just really, you know, rip your heart out or whatever. How do you deal with tragedy in a business, whether it's a staff member or the salon burnt down, or you know, California wildfires, et cetera.

[00:44:46] You never know. I have no idea what you've been through as far as that sort of thing goes. So on dealing with tragedy, not just the normal, Hurley burly of being in business, but something really that upends you.

[00:44:58] I think, communication and empathy. Are the two pieces that we put together when there is tragedy. Uh, for us, COVID was tragic. In California, unlike almost every other state in the country, we were closed almost six months during covid

[00:45:14] Hmm.

[00:45:14] on and off. I mean, no other country, no other state was, had that closure that that's a lot for our team to have to deal with without a job.

[00:45:22] Hmm.

[00:45:23] communication, fundraising, how can you be there for them? How can you listen to what they're going through? How can you pull your resources to help lift people up?

[00:45:32] Okay. Uh, similar but different, on dealing with drama in the salon. How do you deal with drama? Not that there's very many hairdressers that are, dramatic. I'm sure you haven't come across any those.

[00:45:42] not at all.

[00:45:44] so how do you handle that?

[00:45:46] you handle it. I think a lot of leaders put their head in the sand like an ostrich and say, if I don't. at it, it's not happening so I am a real proponent if you have not already gotten that feeling from me, that I like to address things as they come up, as long as I'm not triggered in the moment that I'm addressing them. I'm triggered or I have upset around it, and I am not regulated. Myself, where I can be objective and curious

[00:46:18] Yeah.

[00:46:19] out what's underneath it, I will not then address it in that moment. so

[00:46:24] Yeah.

[00:46:24] I have to manage myself and make sure that I can be an objective, curious listener. but the, any kind of drama that is disrupting business needs to be addressed immediately.

[00:46:41] Yeah.

[00:46:41] your team is counting on you to do that. So if you're not doing that, they're looking at you or as why are you not leading this?

[00:46:48] Hmm.

[00:46:49] said to me you were the leader and now you're not doing anything about this person that is up uprooting and, you know, creating chaos in the workspace. So either you create your culture or your culture gets created for you, and it

[00:47:04] Yeah.

[00:47:05] for you by not saying anything.

[00:47:07] Yeah. Okay. a natural progression, on letting someone go, knowing when to let them go, how to let them go.

[00:47:16] most of the time I think we'd all understand or all probably agree that letting somebody go usually isn't spur of the moment. They do something and you say you're fired. Usually, as Susan Scott said, who wrote Fierce Conversations. She has a statement in there that I lean on a lot that is gradually then suddenly. And so as leaders, some suddenly this just happened. No. What were the gradual steps that led up to this suddenly behavior? And so I think on letting people go, it's on, Being a curious leader, finding out, as you start seeing things breaking down, what's happening, what's going on, help me to understand, um, what's, you know, this change in behavior very open.

[00:48:04] That this is not who we are as a culture. And once we get to a point where we're close to letting somebody go, and this might be the conversation prior to the let go, depending on what it is, is. I love this question to ask a team member, are you happy here? That reveals a lot. And if they say, yes, I'm happy here, then I say, then talk to me about the discrepancy around our culture how you're showing up.

[00:48:32] Because if you were happy here, you'd be aligned with the culture like you used to be. And that's not the behavior that I see showing up. And so we need to get to the bottom of this. So there are questions that, that, that happen and conversations hopefully, that are happening along the way. And if we have to part ways, then it should never be a surprise that we're parting ways,

[00:48:54] Yeah. Okay. what do you look for when you are recruiting somebody? When they come in for their very first interview? What is it? What are you sort of focused on?

[00:49:04] excitement.

[00:49:06] Excitement.

[00:49:07] That they have excitement and passion around what they're doing.

[00:49:11] Mm-hmm.

[00:49:12] I believe you can teach people technical, but you can't teach people to have passion.

[00:49:18] Yeah.

[00:49:18] you love what you're doing, or you're just doing it because it's a job. so I, first and foremost, I wanna see somebody's passion around, Them talking about their craft, they're from right outta school. I wanna see work that they've done, things they've been involved in because they love it so much that they enter these co competitions and they went to these shows. And I wanna, I, because that's who we are as a team,

[00:49:46] Yeah.

[00:49:46] Not out of a desperation because somebody has a pulse. We hire out of, out of inspiration that somebody is gonna bring energy that meets us where we are.

[00:49:57] Yeah. Good. Okay. Uh, you mentioned, uh, Win Claybaugh before. talk to us about the value in having mentors.

[00:50:07] Oh, I've had so many mentors over the years, especially if you're a solo owner, which I ended up having partners along the way, but. You need people to bounce things off of, whether they're a mentor like Win Claybaugh who is like, mega mentor for so many people. Or you have a mentor that, one of my best friends, uh, her name is Karen who owns Karen Allens salons here in San Diego, who is She's one of my mentors. I could talk to her about all things accounting. She was one of the people that we came to each other to develop the hourly, the adjusted hourly rate program for compensation.

[00:50:45] you need to find people, which is networking in our industry that can help you in certain ways because sometimes the story we tell ourselves is not the right story and it's not the right way based on how we feel based on objectivity that another person can bring.

[00:51:03] Yeah. Yeah, that's good. I like that. okay, I could throw a lot more at you, but I, we're sort of running outta time, but there is one that I wanna, I wanna mention, 'cause I know it's something that you do, and that is giving back. what would you sort of say about giving back? Why is that important for a salon owner to do and, and what does that look like?

[00:51:24] I've just always come from the space, even when I was in school, that our job that we, this industry that we got into is of service. We're of service to our clients. When we become owners, we, I, I have held the mindset that I'm of service to my team, and so universally we get back what we give in life universally. It feels much better to be me, to be contributing than to be receiving. I mean, I do receive and I receive from a lot of people, it feels good

to me to see other people's growth. That's why we even opened multiple locations. It wasn't to have multiple. It was that how do we continue to help people grow? that is the thing that lights me up today. And that's the thing that has always driven me in the past.

[00:52:17] Hmm. Okay, great. Well, listen, I've absolutely loved sitting here, having this conversation with you. and it's interesting, this sort of, um. You know, the whole podcasting thing, I'm often, I often comment on this that, you know, if I came up to you in the pub or something, uh, in a bar or at an event and started asking you these questions, it would be like, I.

[00:52:37] Wow. You know, you were to just calm down Uh, but the whole nature of a podcast is to, to do that. And, I, I really appreciate you being such a, um, a willing, and giving, participant in that process. And I've really enjoyed everything you've had to say. It's been fantastic. where whereabouts can people connect with you on Instagram or, uh, websites, social media channels?

[00:53:00] Yeah, well, pretty easy Keri Davis Consulting is my website. Keri Davis Consulting is my Instagram, and Keri Davis Consulting is my YouTube channel where all of my, I do a mindset Monday on one or two Mondays a month for 30 minutes, and I have a Plethora different topics from leadership to culture to compensation, to creating a retail and culture, all the things. So I have all of those living on consulting.

[00:53:29] Great. Okay. Well, I'll put those links, uh, on our website, GrowMySalonBusiness.com, and in the show notes for today's podcast, wherever you are listening to this. So, if you're listening to this podcast with Keri Davis-Duffy and have enjoyed it as much as I have, then do me a favour: share it with people who you know would also, enjoy it.

[00:53:46] And don't forget to subscribe and leave us a rating and review on the Apple Podcast app. So to wrap up, Keri Thank you for being my guest on today's episode of the Grow My Salon Business podcast. It's been a lot of fun. Thank you.

[00:53:59] It's been my honor. Thank you so much for having me.