



How a Booking System can Increase Revenue by 70%+

What to look for in a best in the class system for your salon is easy for you and clients to use.

Save Time - Increase Profits - Fill Quiet Appointment Times

SALON
SOLUTIONS

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Minimising Salon Costs

As a salon owner - your time is money – why give it away?

The average Beauty Salon makes 8.2% profit but this can vary between **2%** and **17%** depending on how well the Salon is managed. This is a difference of €15k for each €100k of sales made. Focusing on how to optimise all aspects of your business is really important. Being passionate about what you do isn't good enough. To earn a decent living you will also need to adopt a 'business head' frame of mind and develop the right combination of skills. Using the right technology, configured correctly, will really help you drive the right policies, procedures and processes that are essential to your success.



'Show me the money!'

Your salon makes money by selling **time, talent and expertise** to your clients. Your clients buy from you because you deliver high-quality treatments and provide an outstanding experience to them at a price that they feel is good value. To optimise your salon and its revenue potential this breaks down to two key focus areas:

1. Provide a high-quality experience for your clients that they return, again and again, use all the time capacity of your business, and that you maximise the revenue potential of each visit.
2. Reduce cost by removing non-billed, low-value, time-consuming activities so you can maximise hours that you can charge to a paying client.

There are two principal technologies core to the successful Beauty or Hair Salon business:

1. A **website** that is your shop window although it is worth noting that as clients conduct more and more of their business using their phones that a progressive app is a more cost-effective investment.
2. A user-friendly e-commerce solution or **online shop** that can enable a revenue stream to your existing and new customers when they are not in your Salon or when you are closed.
3. A comprehensive **booking system** designed specifically for that industry.

We will focus on the third technology in this article and why it should form the very foundation of your business to streamline your operations, save time and enable more profit.

There are a number of benefits you will get from your booking system which we will look at but perhaps the main one is its ability to save time. Manually managing new appointment requests is a big time waster. It is a series of low-value interactions via several channels like Phone, WhatsApp, Social media DMs, or texts that require clarification due to lack or incomplete information, internal interactions trying to match demand to the Salon's limited capacity and then a response or confirmation from you that may involve long and unnecessary telephone calls.

Other service experts like barristers or architects also charge by the hour for their skills but try engaging them in a conversation they can't charge for regarding what happened during their weekend.

Placing a value on time is the concept your business is built on so you don't want to waste it on activities that you can't charge for!

A good online booking system, well configured, will provide a return of at least 20% gained through increased productivity by using automation and enabling client self-service, increased client spend with product and service "up sales", reduced administration and more frequent client visits.

To put it another way, a 20% increase in productivity means that in a 5 person salon, 1 person who was doing stuff you could not charge for, now can! Assuming an average treatment is €50 per hour this means that there is additional potential revenue of €375 per day or **€7,500 per month**.

An online booking system makes your services available to your clients to book ahead 24 hours a day, every day with zero effort required from you.

Seems like a no-brainer but despite this most small to medium Salons still do not use an online booking system. There are two routes you can take:

Use one of the more known industry, pre-baked solutions that can provide ongoing support to configure and maintain the platform for you. A great option for those that are nervous about technology and do not have the skillset to deploy and maintain this type of technology. However, there is a drawback. Their pricing model is to lock you into expensive monthly subscriptions with incremental charges for additional functionality. These charges are mainly fixed regardless of how much business the Salon is doing. Something that became very apparent in the recent lockdowns. In addition, many of these platforms are using ageing technology with little investment so the quality of their offering has fallen behind even some of the most basic alternative solutions in the marketplace.

The alternative is to do it yourself and go it alone with one of the many solutions out in the marketplace. But which one? Do you have the time and skills to configure it? Isn't it easier to stick to the big black desk diary and shout across the Salon to confirm availability? "Lisa, are you working next Wednesday?".

Key points to note

1. Identifying cost-effective technologies to support your business is essential in ensuring you minimise your expense, increase revenue and deliver more profit. Technologies you should consider are:-
 - a. Booking Platforms
 - b. On-line shops

- c. Website and/or a mobile app where your customers can learn about you and your services, buy products and book services online.
- 2. Without the proper use of technology, your Salon can never reach its full potential.

Open All Hours!

Earlier we established that the smart use of cheap but efficient technology can dramatically boost your productivity and that of your team of therapists. Specifically, a good booking system could give back 20% or more of your time by reducing non-value tasks using automation and self-service.

This is additional time that you can now use to sell more services to your clients as well as drive additional revenue by using marketing and up-sales strategies. Let's look at how this can be achieved and help define the sort of capabilities you should be looking for in your booking software.

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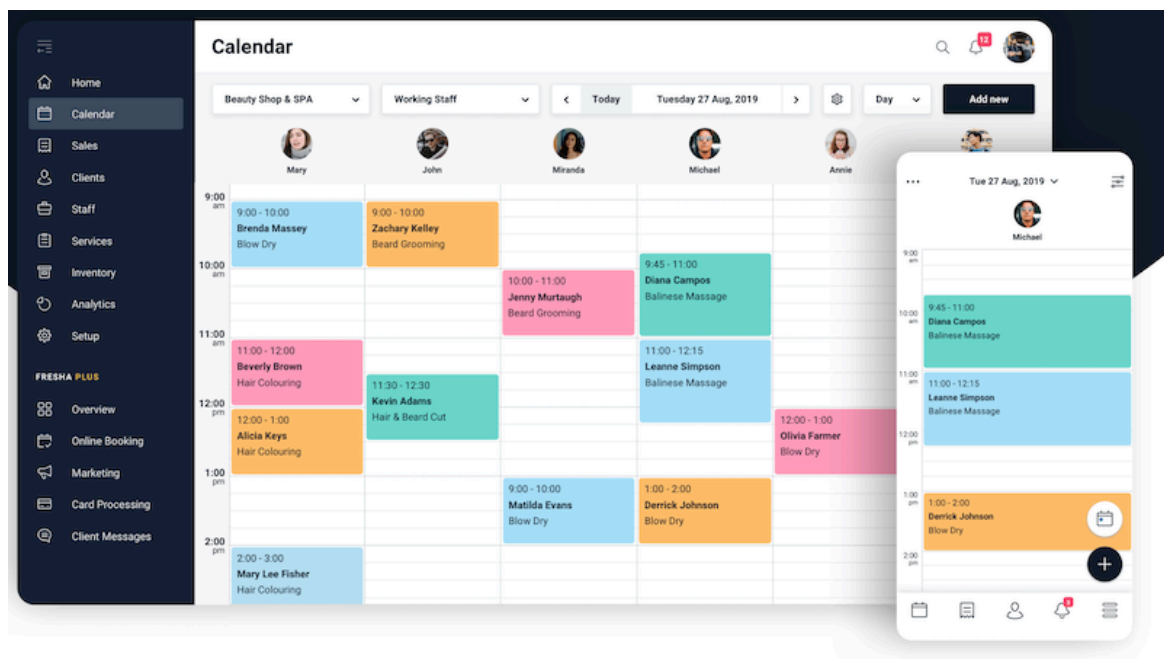


Choose a booking system that is based in the “Cloud” or from a service provider that is accessible via the internet. Once you have an online booking system your salon is accessible to your clients all the time. They are not

restricted to the Salon opening times to make an appointment. Industry surveys indicate when given a choice, 60% of all bookings are made online and “out of hours” and 80% of clients stated they preferred to book their appointments in this way.

This is a win/win, providing better service and convenience for your client by giving them the ability to book a treatment and their preferred therapist at a time that suits them.

The system will lead them through a logical process of collecting the necessary information at each step of the way removing any need to interact with anyone in the salon. They will receive a confirmation text or email depending on their preference, to confirm the appointment and the details will be added to the appropriate therapist’s calendar.



Later, we will see that automated marketing strategies can leverage the extra 16 hours you have now made available and can be filled by driving your clients to make appointments whether your Salon is open or not to generate more business at no extra cost.

Better for you € as well as your client!

The alternative to an online, electronic booking system, is the big black desk diary accessible to your clients only between your salon opening hours, via phone when someone picks up or as the client is leaving.

When the client is restricted to telephoning the Salon during the opening hours window they are using time that the salon can better use to provide and charge for treatments.



Open 9am to 7pm

When you consider a Salon with 5 therapists needs to fill 53 treatment slots per day this suggests 1,272 conversations (at least) per month in the booking. Allow 4 mins for each and you have nearly 85 hours of wasted time or €4,200 per month, €51k per year, just making appointments!

Calculation details

**5 staff at 8 hours = 2,400 min per day, Avg treatment 45mins = 2,400/45 = 53 total per day. Working days per month 6x4=24. Total appointments = 24x53=1,272. Assume 4min per appointment = 5088 mins or 84.5hrs. Assume avg cost per treatment €50 then the total cost of accepting bookings physically is potentially €4,240 per mth or €51k per year*

Convenience & Accessibility for All!

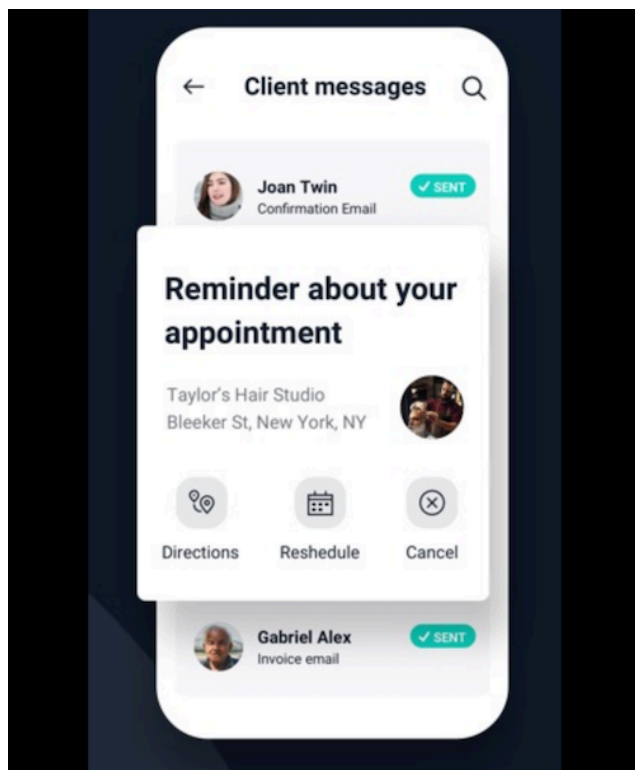
A good online booking system will come with phone app technology for both the salon staff and the clients. Clients will be able to use their app to make a treatment booking, select their preferred therapist and choose which salon if you operate more than one.

In addition, there should be a separate admin app for you and your staff. Amongst other things, this will provide an individual schedule for each staff member, details of the days, clients and booked treatments. They should be

able to drill into each individual appointment and access the history of the client and any special needs or preferences that they might have. The best ones will enable the staff member to look at separate views of the day, a week and a month in advance.

The salon owner will have a master view of what everyone is doing each day or for a predetermined time in the future. They will have an easy view of where there are service gaps where no treatments have been sold and are able to take steps to attempt to fill these vacant time slots with special offers etc.

Reminders & Confirmations



Once booked your client will receive a confirmation of the date, time and cost of the booking. Later they will receive reminder texts, emails or both depending on their preference at whatever frequency you configure, typically 3 days and 24 hours prior to the appointment. These will be system generated and automatic.

The cost of **“No Shows”** is huge. Assume 3 “No Shows” per week each worth an average of €50 equating to €600 lost per month or €7,200 per year. Later we will discuss what should be done about

them, but before these strategies can be implemented you need an automatic “reminder program” so there can be no excuse for the customer to “forget” and not cancel within your cancellation policy. It’s also good service!

Payment Processing and Reporting

Your booking system should be able to accept and process all forms of payment (Credit Card, Cash, Apple & Google Pay etc) and hold existing customers' payment details safely and securely. You should be able to **request and accept a deposit or charge a transaction fee when a booking is made by a client online.**

This is especially good practice when an expensive treatment has been selected and acts as an incentive for the client to keep the appointment.

Most booking system software providers, are in fact payment processing engines or businesses, that have provided you with the software free or at a low cost so that they can capture your payment processing business and enjoy an exclusive symbiotic relationship with you. As a consequence, you should be able to use your booking system as the **system of record for all payments** you accepted at your salon for both service and product sales.

They will **allow your customer to pre-register a credit card** using a secure 3D validation method captured from them when they booked online **or use once-off validation texts** that the customer can use for an in-store first payment. This is a link sent to the client to their phone which takes them to a payment processing secure website. This captures payment for the service and then **saves the details so the customer can pay using this card for future transactions.**

You should be able to process easily **split payments** i.e. combinations of vouchers, cash and credit card. Most companies will provide for free or for a small charge a card terminal with which you can manually process payments in person on site.

At the end of the day, the system should be able to **generate a report** that details all services and products sold together with a summary of each payment type. This can be used for your **accounting reconciliations** later.

In summary, a good online booking system should be at the heart of your business and will enable you to be more efficient and effective in running your salon while at the same time providing more convenience and better service to your clients.

In our next section, we will discuss how your booking system should help you manage stock. Not the most glamorous side of the business, but the side that separates the girls from the women! By managing stock properly you will **gain incremental profit opportunities and avoid tying up too much cash**. This is the difference between being successful or going bust!

Key Points to Note

1. A good booking system should be at the core of your business strategy as it can deliver well in excess of 20% returns in productivity through automation and self-service which can be used to generate more income.
2. By selecting a web-enabled booking system your Salon can be open 24 hours every day of the year for your customers for bookings.
3. Your system will deliver more convenience and better service to your clients providing a choice of payment options, automatic reminders, and access to you via their phone app.
4. Your Salon will be better placed to manage work across all staff members, provide a daily schedule to the team and enable a view of “Salon Empty Slots” days or weeks in advance to facilitate marketing initiatives.
5. A booking system will provide a secure payment processing capability across a range of payment types at rates usually better than you can get from your Bank plus provide the booking platform at low or no charge.

There is profit in running a beauty salon but most of it is on the shelf.

Why are retail sales so important?

Retail sales can add up to 30% to your revenue and are usually sold at much higher margins than you can achieve for delivering services. Retail product sales, if properly managed, will improve your overall profit for a lot less investment in time and money and is **probably the single most effective thing you can do to improve the financial performance of the Salon.**

Additionally and more importantly, product sales to customers bought as a post-treatment recommendation or from a skin consultancy is the number one **retention strategy** you can deploy!



Technology will help

However, what many people do not realise is that many booking systems also come with an inventory management capability.

You should be able to set up a supplier, assign to them a list of products that you purchase from

them and set the initial stock levels, a bought-in cost and a customer price.

When a sale has been made to a customer or you need to replenish Salon materials you should be able to capture each element of the transaction.

For the customer, you should be able to summarise their treatments and any products they have bought during their appointment and be able to process their total payment at reception upon departure. Your stock levels should then

be adjusted automatically to reflect these transactions so that you have a continuous record of your current stock levels.

At frequent intervals, typically once per week, after a busy period, usually after a weekend you should be able to review a report generated by the system to review current stock levels. The system should enable you to then create an order with the desired quantities and automatically email the supplier for resupply. When the order is delivered you should be able to confirm receipt of the order in the system, just push a button, and the stock levels should automatically adjust upwards for the newly arrived stock items. Thereeasy!

The system should provide a suite of reports so you can monitor what products are being sold and how frequently, and will track commissions earned by the therapists.

Get everyone aligned

An essential strategy in delivering on the potential of product sales and making their power of retention real is down to how and when they are sold, and more importantly, who is selling them. The relationship that is developed between your therapist and their client is nothing short of precious and trusting.

Recommending products that will benefit the client's particular requirements and **extend the value of their treatment** is the **foundation to repeat sales of treatments and products**. For this reason, you should incentivise the team by paying a commission to your therapist for product sales. In this way, they will become aligned, motivated and very much part of the plan.

Stock management

The investment in stock for retail product sales and the product ranges the Salon actually uses in providing treatments is the second biggest investment a Salon will make in their business. However, poor or absent stock management processes are often cited as the first or main reason for Salon's failure! The time required for the proper administration of this essential process, monitoring stock levels, product replenishment, managing staff commissions

etc can be extensive but is often completely ignored by Salon owners or at best delegated to a junior staff member.

How much stock should I have?

The general rule is you should have 2 x your average monthly retail sales as your stock budget. Your reporting should tell you what the value is of your current stock levels and you should only order back up to the original budget.

It is easier to order less stock more frequently than to suffer cash flow issues because you are carrying too much stock. This prevents too much capital from being tied up in stock.

Limit the lines

There is a strong temptation to stock too many ranges. They look good and they give you and the customer choice – right? Wrong! What is really happening is that you are locking away your profits, increasing the time it takes to get a return on your sales and diluting your brand. **It is generally thought by the industry you should carry no more than 3 ranges.**

How much should you buy any one product?

Clearly, you don't want items to stay on the shelf. Typically you want to "turn" your stock as frequently as possible. Each turn delivers a bit of profit back to you as well as the money needed to replace itself. The quicker the turn, the better. In any case, **products should not make themselves at home on your shelf for more than 60 days.**

What to do with products overstaying their welcome

Slow-moving products should be treated for what they actually are ...highly undesirable and are usually the result of

- Overbuying a particular product
- Products that have little or no consumer appeal
- Lack of marketing in the Salon

The above issues can be solved by taking the following measures

- Piggyback or bundle slow-moving product with fast-moving products and sell at a discount
- Raise the commission for a slow-moving product
- Focus on the product and its range and ensure that the Salon team are sufficiently aware of it to promote it where appropriate.

In summary, incorporating retail product sales with a tightly run stock management system can and will make a huge impact to how much money your business generates. This should be done by one dedicated individual who has been trained and is using appropriate technology. Many booking systems come with these capabilities for free or very modest charges.

Key Points to Note

1. The number 1 initiative to increase Salon profit is to make retail product sales.
2. The number 1 reason for Salon's revenue loss is poor product/stock management.
3. The number 1 customer retention strategy is product sales based upon specific customer recommendations.
4. Incentivise your staff by paying commissions to drive sales.
5. Don't overbuy stock and ensure what you do buy does not stay on your shelf for more than 60 days.
6. Dedicate one trained person with appropriate technology to manage your stock.

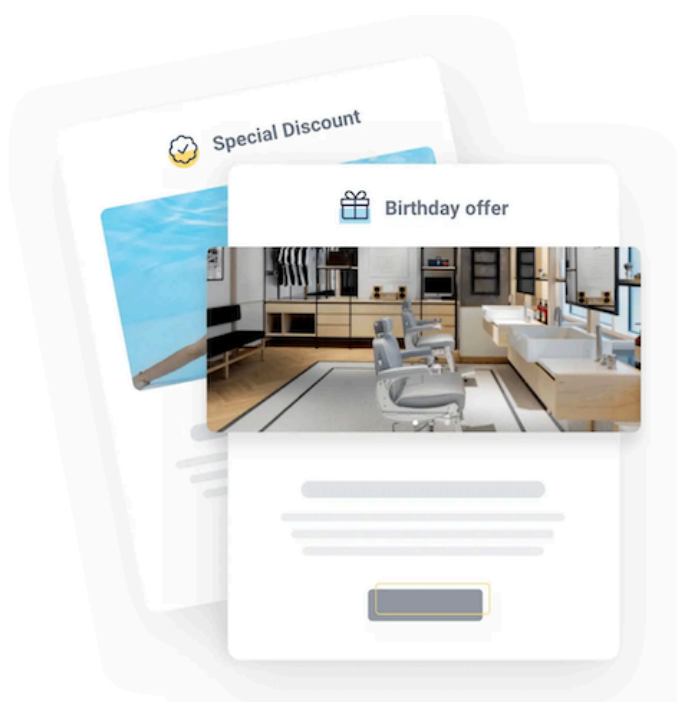
Filling Salon Time Slots

Automating your Marketing Communications

Many booking systems will provide you with sophisticated marketing tools that leverage the data “footprint” your customers provides you when booking a treatment, email, phone number etc, and undertakes the heavy lifting for a comprehensive all-year-around marketing campaign.

They should also deliver a reporting capability that will allow you to identify impending periods of low demand which can enable you to set in place proactive measures to address. Using the client data the tools can automate your email and SMS communications to your entire client base, a subset of clients or a specific individual for little or no money. wow!

These should include the automation of repeat communications that can be pre-set and pre-configured in the system offering discounts to some of the defined audiences discussed later in this article. Once set up these should run in the background and require no further attention from you.



Optimising Off-Peak Quiet Times

Every Salon is busy Thursday PM through Saturday PM. The real trick is to fill Tuesday AM through to Thursday AM. Of course, you [re-book clients](#) as they leave and ensure that their visit timeline is unbroken, but you still have unfilled slots during off-peak

hours. Many successful Salons use the same trick in their pricing as do hotels and airlines. Specifically, they charge premium rates on peak days and discount on non-peak days. While some Salon costs can be offset by managing the hours of staff to match demand, a large part of the Salon costs are fixed, meaning these have to pay regardless of how busy you are, so discounting vacant slots, makes a lot of financial sense.

Discount Treatment Vouchers

The most efficient way to discount your pricing menu is to use discount vouchers which are targeted to a specific Client group or individuals. These can be either a % or € discount from normal pricing. A good booking system should not only provide this capability for you but also enable you to define specific treatments and times the voucher will be valid for. This is really important to enable strategies and campaigns where you are ***using your off-peak slots to introduce existing customers to new premium treatments that are more expensive***. Doing this will protect your average hourly charge for that time slot after the discount has been taken, but also potentially increase the average spend for that customer going forward.

Gift Cards for Anniversary & Calendar Events

There are, of course, a number of milestone events during the year where you might either want to offer a discount voucher or a promote a “Gift Card” (all good bookings systems will enable you to create and redeem Treatment Gift Cards) these include Mothers Days, Valentine’s Day and Christmas. In addition to their creation and being able to accept them in your Salon as payment, usually the system will track the value of “unredeemed” issued vouchers for accounting.

Reward Loyalty & Referrals

Nothing is appreciated more greatly by clients than being recognised for their custom and frankly, nobody deserves a discount more than those clients that

have supported you and your business through thick and thin. So make sure you have a program that identifies these clients and rewards them. Your booking system will allow you to identify clients by spend and frequency and enable marketing campaigns with offers to this audience. Similarly, let clients know that you appreciate their referral business with something concrete and meaningful.

New Customers

Experience suggests that if you can get a new client to book a second visit they are over **80%** likely to become a client forever! Sending a discount voucher with a link to your booking tool immediately after their visit is a sound strategy.

Birthdays

Getting your client's birthday (day and month only) enables you to connect with them on a special day. Other important dates like wedding anniversaries have a similar impact. Everybody likes to be remembered on their birthday!

Key Points to Note

1. A booking system will automate some key aspects of your marketing communications at little or no cost.
2. A booking system will capture key client information which will provide the foundation of your marketing strategy.
3. A booking system will provide insight and reporting on how your business is performing and highlight periods of low demand.

Plug Salon Profit Leaks

Minimise “No Shows” or pay the price!

Something every owner should know before opening a beauty salon or opening a hair salon? Expect cancellations, no-shows and late clients...

‘No Show’ is a term used to describe a person who makes a reservation and neither uses nor cancels it. Do you know the cost of cancellations, latecomers and no-shows? Earlier, we estimated the cost incurred by persistent latecomers and no shows to be at least €7,200 per year. Every beauty salon business or spa has clients who think it is acceptable to walk in 20 minutes late. Addressing this industry problem is a key concern if you are going to maximise the potential of your business. Your booking system should be able to help. No shows can be reduced by up to 80% by following the measures listed below.

Be clear about your policy



Be sure that you communicate on your website and again when your client is booking what your cancellation and late policy are, particularly for new clients. Typically this will be a requirement for 48hrs notice for

cancellation and for latecomers it should be clear that you may not be able to accommodate them for more complex treatments or that their treatment session will finish as scheduled and that they will have a shorter duration.

Send Reminders

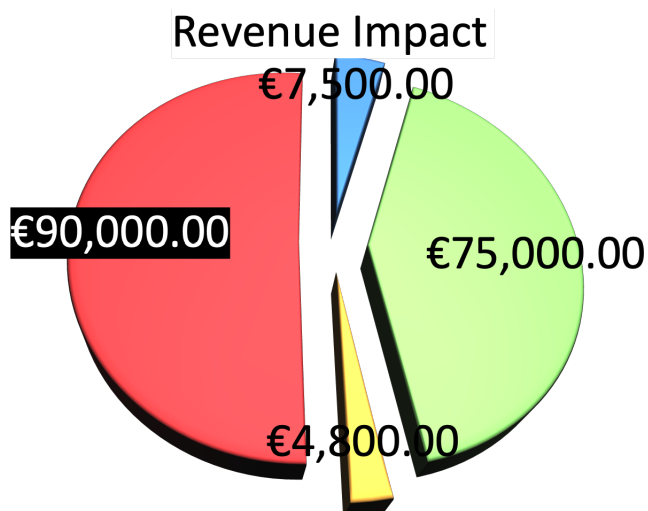
When you have sent a reminder to the client by email or SMS you have fulfilled your side in ensuring that they are aware of the appointment. Therefore, only extreme or unanticipated events on the client-side should lead to them not attending their scheduled appointment without cancelling it appropriately. As stated earlier, a good booking system will automate reminders for you using the client's preferred contact choice, and really good systems will create an entry in the client's calendar with a reminder at the initial booking and have a link in the reminder to the appointment in the system that will enable the client to easily re-book if required.

Ask for a deposit

[Take a deposit](#) especially for longer and more expensive treatments - by making your client pay a deposit you will get a better commitment from them.

Charge a cancellation fee

- No Show
- Filling Low Demand
- Retail Sales
- Time Wasted



Your policy should be clear that the client can be charged in full or in part for “no shows”.

Special Pricing

It can be an excellent strategy to increase your margins to charge extra for your more senior and experienced therapists, particularly in peak times. A good booking system should make this possible for you to easily manage.

Consultation forms

Your online booking system should facilitate the access and completion of the necessary waiver forms and provide access to consultation forms.

In Conclusion

In America, a [recent study](#) found the average salon makes \$19,100 in profit every year. The average salon profit margin is 8.2%. Salon profit margin ranges from 2% to 17% depending on how well the salon is managed. We can convert these numbers to Euros and estimate that the average small Salon has a turnover of about €250,000 per year or €20k per month. Calculated another way a 5-person salon where each staff member bills 20 hours per week at €50, $((5*20)*€50)*4*12 = €250k$. Using this number, the difference in Euro terms between a poorly managed Salon and one that is optimised is an additional €180,000 in additional revenue or a potential increase of circa 70%. See the breakdown below. We have identified a number of key areas where technology can [help you close this gap](#). The chart below illustrates the key areas.

No Shows - Calculated as 3 per week at €50 per hour (€150 per week *50 weeks = €7500)

Time Wasted - Calculated by achieving a 20% increase in productivity for a 5-person salon. This releases 1 working day for billable treatments or 7.5hrs at €50 per hour. €375 per day or €90,000 per year (€375*20 days*12 months)

Filling Low Demand - Calculated as billing for two extra hours each week at €50 per hour. (€100 per week *4 weeks *12 months= €4,800)

Retail Sales - Increase revenue by 30% assuming average turnover €250,000 per year @ 30% = €75,000



"I wanted a state of the art website to develop and grow my business and to this end I found Lisa to be a dream to work with. My business has grown from strength to strength with Lisa's help and "on line" ideas. With her hands on approach I really felt that Lisa treated my business likes it's her own."

Jennifer Butler
Vanity Rooms



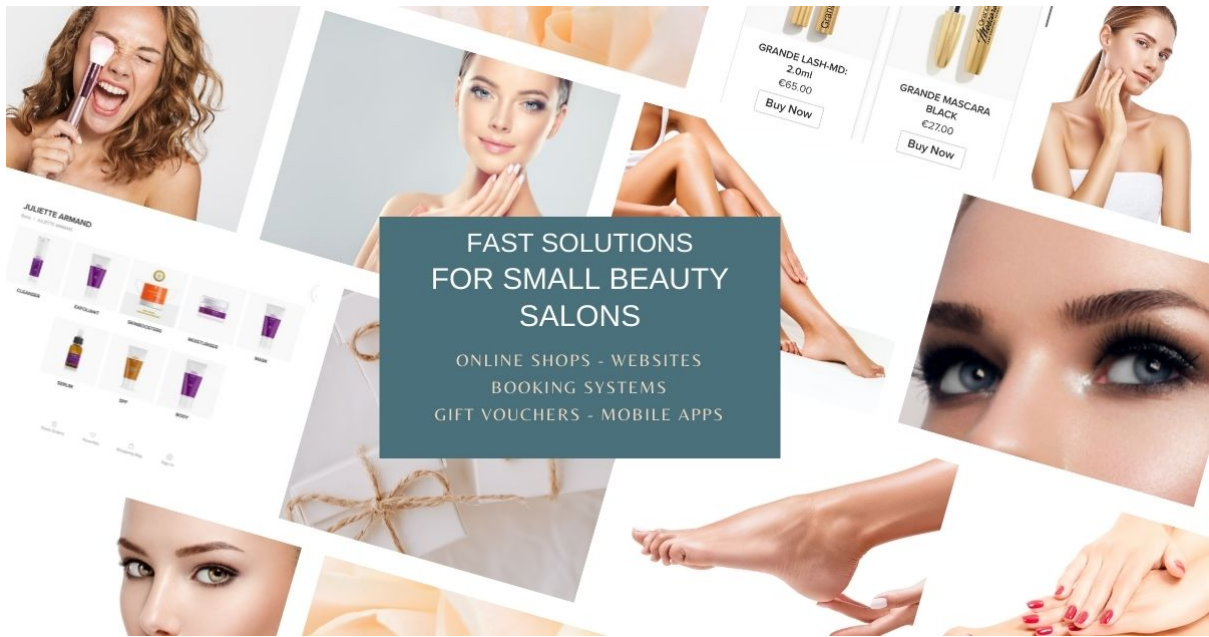
"It has changed my life and especially the time that it saves me as a busy salon owner. I love my new online shop. It has paid for itself within weeks and I only wish I had done it sooner!"

Anna Quinlan
Ely Beauty Clinic

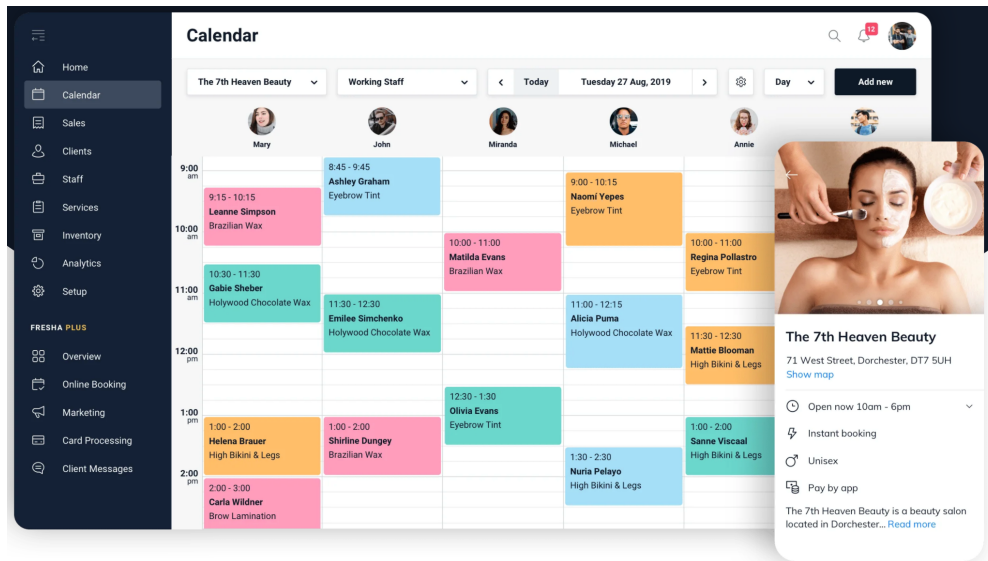


"Lisa is a knowledgeable experienced online marketing provider to the beauty industry. She was like our second pair of hands and made sure everything was perfect. She gets it quick in terms of what you need for your website and online presence and will bring loads of ideas to the table. You are in good hands and she is very easy to deal with."

Lisa Lawless
Elle No 5



Your clients will be able to make appointments online 24x7 every day of the year, pay online, get reminders and buy and use salon vouchers all from their phones. You and your team will be able to gain a view of the Salon workload days and weeks in advance. Time wasted in appointment making will be eliminated. All aspects of the salon booking system can be managed from a mobile app that you and each member of your team can download.

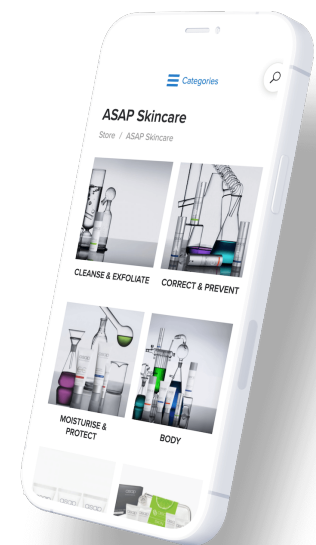
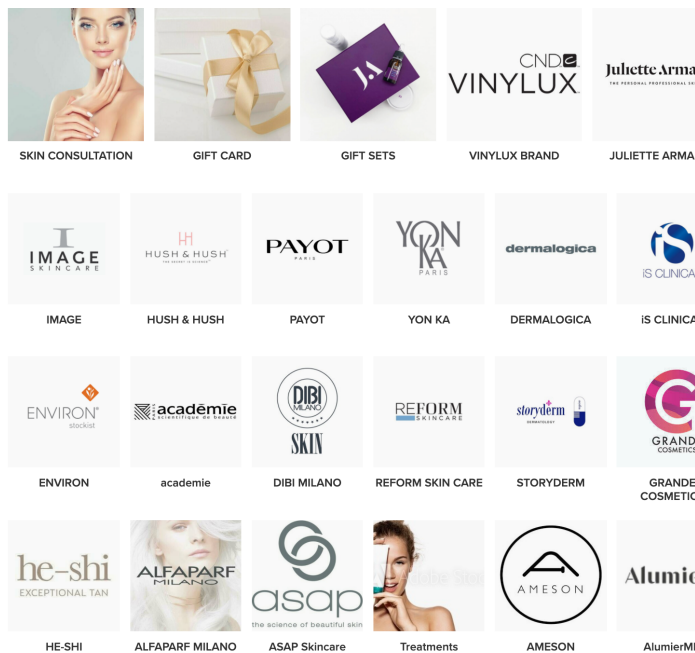


Fresha

We will configure your system on your behalf creating all your treatments, configuring staffing working hours and system parameters. When complete we will provide training to you and the team.

Online Salon Shops

We have most of the [brand ranges](#), images and descriptions, shop ready. All you do is tell us what ranges you use and we will provide a fully functional shop within two days. No endless communications with a web developer, just complete an electronic form on your phone and leave the rest to us.



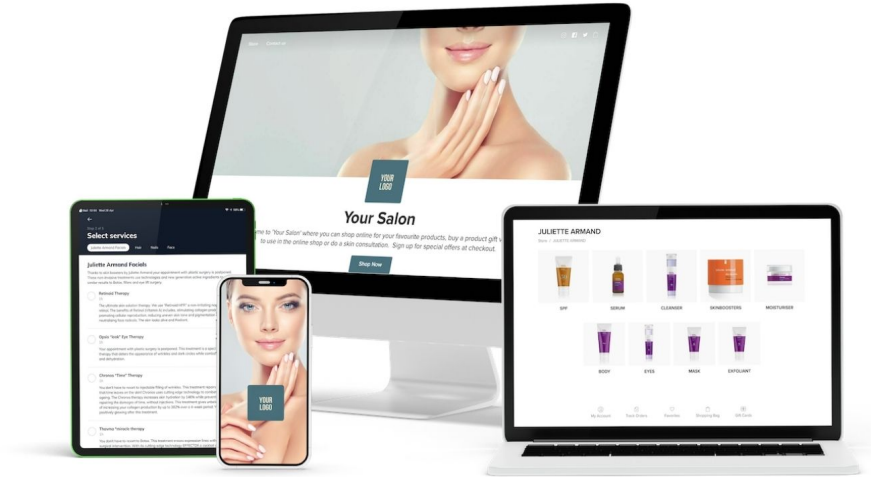
Most Popular Brands Pre-Installed

Our shops can be configured for all delivery requirements both Local, National or Global. Payment methods include Paypal, Apple and Google Pay, and Revolute.

Market through Facebook and Instagram. Offer vouchers and online consultancy. Take back control and offer discounts, have sales, and run seasonal marketing campaigns on mothers day and Christmas. Add and remove products without requiring support. All managed through a single mobile app on your phone. Go to our [e-commerce](#) and [Beauty Salon solution pages](#) on our website to find out more.

Websites

We offer “off the rail” websites, especially for the Beauty Business. These require minimal input from you and are delivered quickly. They include detailed treatment pages, Testimonials, etc. We can integrate our e-shop or insert links to your existing shop and booking system or provide these for you in addition.



Mobile Apps

We use a new form of technology called progressive web apps. It works using pre-coded modules making it fast and affordable. The App acts as a “wrapper” once downloaded your clients are able to access information on your treatments and make an appointment, get direct access to your online shop and buy salon products, 24/7. Be a brand in your client's pockets and take no space on their phones.

