



Business Re-activation Workbook

APRIL 2020

Dear Spa/Salon Operator,

We are with you in solidarity at this time of uncertainty and change. As a community we have come together to support and guide. This is the time to show true leadership and look to find opportunity.

Take this time to “housekeep” your business. Review your workstreams, identify processes that are in place and that deliver meaningful and financial value to your business. Recognise some processes that are outdated or simply in place to just have a policy. By reviewing your workstreams you will be able to create smarter working solutions that will allow you to streamline in areas and save operating costs.

As a leader move to:

- Motivate your teams (even if not currently employed)
- Reassure your people with your definite plans, be calm and positive
- Stimulate, activate communication with your customers

This is the only time that we have a global reset button.

Kindest Regards,

The ISA Team

SECTION 1 Business Review

Study each workstream and recognize the opportunities i.e.

- Budget/operating costs (3,6,9 months)
- Offering
- Manning
- Inventory
- Training
- Technology
- Suppliers
- Communications & Marketing

What is adding value to your business, do you have workstreams in place just because you have inherited them or is there purpose to each workstream. For example, look at your inventory process, how much capital do you have in inventory, can you become more week to week in ordering?

Budget- create your business plans for 3, 6, 9 months, base it on a gradual activation, and see what operating costs that you can forego.

Offering – menu engineering, look at your consumption reports, what has been selling and what does not move but still on your menu.

Training your staff – any areas for opportunity, cross training, therapists/receptionists?

Technology – how is that maximizing your business (customers profiles are they up to date? On line booking, Colum management, yield manage your off-peak hours, clients re-ordering on line.

Who are your partners v's suppliers? Who are essential & support you in growing your business? Who can you negotiate with?

Communications, how are you communicating with your customers, social media? EDM (direct mail), what equity lies in your database?

Marketing – look back on what were your most successful marketing promotions and campaigns.

Review your guest journey. What adds value to your guest’s experience? What is a “nice to have”?

Team review your team structure. What is the opportunity for cross training? Increased agility & performance, flexibility & commitment is key.

KEY PERFORMANCE INDICATORS - Checklist

- 1) Review what are your Peak Operating Days of the week – when you re-open you will not re-open 100%. This KPI data will help you to determine what days you need to re-open
- 2) Peak Opening Hours – you may not need to open for 9 to 12 hours a day
- 3) Therapist Utilization will allow you to plan your schedule
- 4) Room Utilization – look at your room occupancy do you need to re-open all treatment rooms – this will save on operating costs
- 5) Hotel Capture rate – you need this to reforecast your spa capture rate. Typically, urban hotels have 3 to 6% capture rate, resort hotels from 18%. The hotels occupancy will also determine your manning levels.
- 6) Frequency of visit, identify your top spenders, ensure you stay most engaged with these guests.
- 7) Local markets will be your initial drivers, you need to ensure to maintain connection and grow this market

SECTION 2 Opportunity While Closed

Actions:

- 1) Guest History – review your guest profiles, the opportunity here is to call your guests and offer to restock their product.
- 2) Corporate clients- majority of business are closed and many businesses are sending their customers 'self-care' packages. Look at who you have partnered with in the past and reach out to them to see if they want to send their top VIP clients 'self-care' packages. This could be a product hamper, or it can come in the form of a gift card.
- 3) Online retail – wellness accessories, yoga mats, aromatherapy oil, candle...
- 4) Social Media Engagement – tips on self-care at home for your clients, you can host Zoom Sessions or post on Instagram Live

Re-Activation Strategy:

- Budget to manage cash flow
 - Re-open gradually at a measured pace
 - Market will be noisy with offers
 - Avoid blanket discounting
 - Local v Domestic
 - Hotel Packages: F&B Packages, Staycations, Girlfriends Getaway, Executive Retreats
 - Events: Global Wellness Day, Positively Well, Product House Master Class
- 1) Everyone is going to be very enthusiastic to re-open, the market place will be swamped with offers. It is important not to drop your rate drastically as you will not be able to regain your position. If you have used the time during the closure to see how you can reduce costs this will help your GOP whilst operating with reduce hours.
 - 2) Create some special offers – have a timeline, for example 60 days. This is to drive volume to your location and your teams will be responsible to upsell & rebook for full price treatments for the next visit.
 - 3) Focus on your local market – consider your radius, if you are not in the city will people drive 1 or 2 hours to visit for a day experience?

4) Hotels – F&B will come back faster than rooms, so look at packages with F&B outlets. Global travel will be reduced, domestic market will be restricted on travel due to budget and travel considers so target your domestic market with staycations.



SECTION 3

Re-opening

Critical Path to include:

- Operations
- Associates scheduling
- Deep cleaning – as per new standard
- Software re-activation
- Inventory update
- Facility set up
- Refresher Training (if needed)
- Partner/Supplier communication on re-opening

To Follow: (Volume 2 – May 7th)

- 1) Understand how to implement the new Blueprint on managing Social Restrictions, Sanitation & Hygiene.
- 2) Train the Team online and on-site prior to opening.
- 3) Understand requirement to procure cleaning chemicals, PPE and Sterilisation Equipment for Tools/Accessories – cost out same.
- 4) Appoint a stakeholder within team to continuously monitor standards.
- 5) Customer communication on re-opening