

# 6 Common Mistakes Salon and Spa Owners Make and How to Avoid Them

Whether you're a beginner or experienced business owner, running a business comes with significant challenges. Being aware of these challenges could help you avoid potential pitfalls before they happen.

We've compiled a list of the six most common mistakes that salon and spa owners make so you can avoid them.

## ✓ MISTAKE #1

### Not establishing a clear purpose

With over 19,000 spas and 1,400,000 salons in the U.S., understanding your "why" is crucial. Many owners underestimate the importance of establishing a clear purpose for their business. This step is essential for decision-making, maintaining consistent operations, standing out in a competitive market, and achieving long-term success.

#### How to avoid it

- **Establish a clear identity and vision.** By identifying your reasons for opening the business, you can support your decision-making, differentiate your brand, and navigate through changes and challenges.
- **Develop a robust business plan.** Outline your business intentions and goals to help you stay the course as you open or grow your business. Here's one for [salon](#) and [spa owners](#).

- **Regularly review and adjust.** Periodically review your spa or salon's purpose to ensure it remains relevant and impactful. Be open to making adjustments based on customer and employee feedback and changing market trends.



## ✓ MISTAKE #2

### Mismanaging finances

Salon or spa owners commonly make the mistake of overspending and mismanaging their funds. Planning and budgeting are necessary to maximize your business's financial health, stability, and longevity.



## How to avoid it

Pay attention to cash flow. Even new businesses that are attracting clients and getting good press go out of business when they run out of operating cash.

- **Compensate your staff in the right way.** When creating a compensation plan for your staff, avoid simply replicating what your competitors are doing, as this might result in overpaying or underpaying. Conduct market research to ensure your pay rates are competitive within the industry and provide incentives that recognize and reward good job performance.
- **Budget.** Without budgets, there are no controls on **cash flow**, and you can burn through money faster than imaginable.
- **Be profitable.** Regularly review your finances and pricing strategy. Look for areas where you may need to cut expenses or negotiate better deals with vendors. Also, adjust pricing as needed to remain competitive and adapt to market changes.

### ✔ MISTAKE #3

## Failing to create a strong team culture

Your staff and their training directly affect your operations and the quality of services your clients receive. Some common mistakes in this area are related to inadequate training, lack of recognition, or hiring individuals who may not be the best fit for the business. These mistakes can negatively impact job performance, employee morale, and the client experience.



## How to avoid it

- **Hire people who understand your vision.** Not doing so is the quickest way to create a dysfunctional workplace. For help with hiring, [check out our Ultimate Guide to Staffing](#).
- **Follow sensible hiring protocols.** Just because you like someone doesn't mean they'll be a great staff member. Take the time to recruit, vet, and develop talent.
- **Reserve the final word on product and treatment decisions for leadership.** It can be tempting to allow employees to influence your product and treatment selections. While their feedback is valuable, management should ultimately make the decision, keeping the vision focused.
- **Create a collaborative and team-oriented culture.** Spas and salons are team sports; we get the best results when we all work together. Find opportunities to work on team building.
- **Work on your leadership skills.** Staff members and clients alike are drawn to businesses that provide positive, upbeat environments and interactions. And that comes from the top down. Constantly improve your leadership skills to help you attract and retain both guests and staff members.



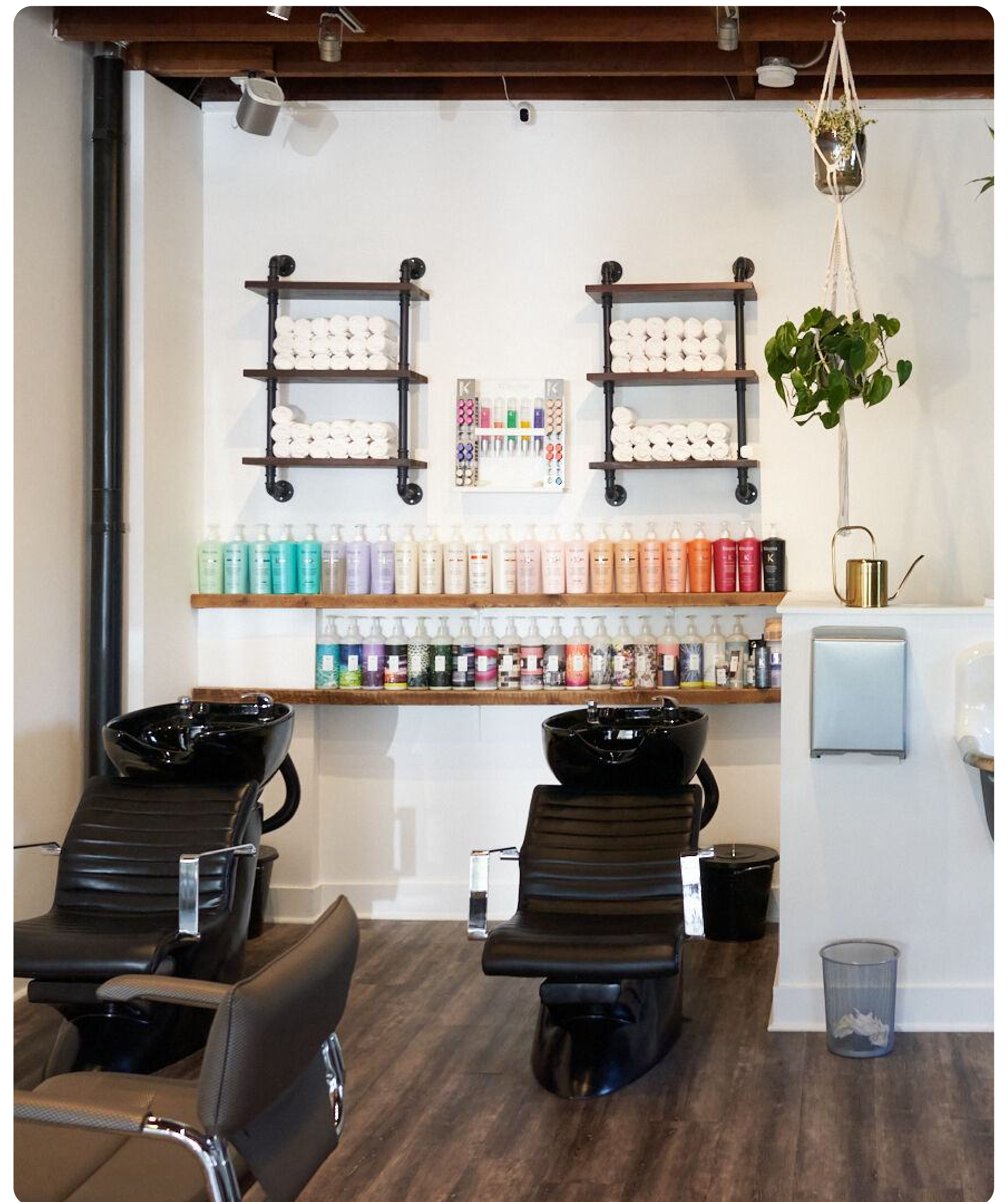
## ✓ MISTAKE #4

### Creating unintentional roadblocks for clients

You may feel like you're overstating the obvious, but don't make assumptions about how prospective and loyal clients receive your messaging and marketing. Poor or confusing messaging can harm business, hinder client retention, and lead to missed opportunities.

#### How to avoid it

- **Be clear about what you offer.** Don't assume that everyone passing by understands all your offerings just from your name. Use clear signage, photos, and retail displays to communicate effectively.
- **Let your clients know when you're open.** Clearly post days and hours of operation on your door or window, on the homepage of your website, and on your social media pages. Don't make potential clients dig around to figure out when they can visit!
- **Offer online booking.** Today's clients prefer the convenience of scheduling appointments anywhere, anytime. **Offering online booking** allows clients to seamlessly schedule appointments while freeing up desk staff to focus on other areas and provide better customer service.
- **Publicize your safety standards and licensing.** Let your clients know the safety measures taken at your salon or spa to maintain a clean and hygienic environment and reassure them that your business and employees are properly licensed. Share on your website, Facebook, online check-in, and throughout your facility.



## ✓ MISTAKE #5

### Forgetting about retail

Failing to include retail opportunities can lead to missed revenue streams, slower business growth, and inadequate client education. Selling retail allows you to upsell your clients, boost revenue, and enhance client satisfaction.

#### How to avoid it

- **Choose brands that fit with your overall branding vision.** Don't just offer products that are on sale with your distributor. Pick brands that will become your partner in business, not just a merchant.
- **Make the most of retail displays.** You'd be shocked at how many clients leave a salon or spa without realizing products are available for retail. Take lessons from the big box retailers; light your shelves, price tag your merchandise, and keep it clean and organized!



- **Have your technicians/stylists/service providers recommend products.** You may occasionally make retail sales to walk-in customers, but most of your retail revenue will come from the professional recommendations of your staff. You should integrate these suggestions into the entire service experience and provide them in writing at the end of the visit. Be sure to offer your staff commission on their sales to incentivize them.
- **Get into e-commerce.** While staff recommendations and upsells can help drive retail sales, it's important to make your top retail products available for sale through your website, especially for clients to grab their favorites in between appointments.

#### ✔ MISTAKE #6

### Overlooking the bigger picture

Consumers are more interested in wellness than ever, and that extends to the time they spend outside a wellness facility. It's not just the hour or two the client is with you. Once they leave, are they still feeling the effects of their treatments? Were they educated on how to care for themselves at home? Did they enjoy their overall experience? If the perceived value doesn't extend beyond the duration of the visit, the financial investment may not add up for your guests.

### How to avoid it

- **Be environmentally conscious.** Make every effort to have green, sustainable, or organic processes, procedures, and products. You don't have to be all in or LEED-certified, but your clients should be aware that you care about the environment.
- **Engage with your community.** Participate in and host events for charities and causes that are important to your clients.
- **Keep your purpose top of mind.** Remembering why you started your business can keep you motivated, focused, and grounded. Find opportunities to remind yourself of your business's purpose and your goals.

Developing a clear plan for your spa or salon, improving your staffing and hiring practices, and effectively managing your finances are just a few steps that will create a strong foundation for your business. Keep this checklist in mind as you continue to provide your clients with top-notch service.

See how Mindbody can streamline your salon or spa operations, improve staff management, and enhance the customer experience. [Explore the software.](#)

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