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THE SALON/SPA BUSINESS

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TOPIC 1: SUCCEEDING IN A SERVICE PROFESSION

1. Professional skin care today integrates the principles not only of beauty but also of health and _____
(wellness) _____.
2. The fastest-growing segment of the U.S. population is the so-called *(baby boomers)* _____.
3. What are three factors that have fueled the current client demand for anti-aging treatments and _____ products?
 - a) *(increased longevity)* _____
 - b) *(concern over environmental hazards)* _____
 - c) *(more disposable income)* _____
4. List seven qualities and behaviors that help you provide client-focused services.
 - a) *(professional appearance)* _____
 - b) *(courteous behavior)* _____
 - c) *(prompt service)* _____
 - d) *(personal consideration)* _____
 - e) *(honesty)* _____
 - f) *(competence)* _____
 - g) *(good attitude)* _____
5. When you work for a salon, you must learn to put its needs and those of its *(clients)* _____ ahead of your personal concerns.
6. Businesses provide written statements of their policies and procedures in the form of *(an employee)* _____ *(handbook)* _____ or *(company manual)* _____.

7. What are two reasons that some salons dictate exactly how certain procedures should be performed?
- (In today's lawsuit-oriented society, it is imperative that all employees follow exact guidelines in such areas as sanitation and safety.)
 - (Having one specific way to perform a procedure ensures that it is always performed the same way no matter who the practitioner is.)
8. Name six ways you can ensure your clients' safety and protect yourself and the salon from liability problems.
- (Take a complete client history before beginning any new procedure.)
 - (Administer patch tests.)
 - (When in doubt, always seek supervision from a more experienced practitioner.)
 - (Always have clients sign a consent form before every procedure.)
 - (Review the consent form and any special instructions with clients before beginning a procedure.)
 - (In case of problems, notify your supervisor and document the incident in the client profile.)
9. Because you may be held liable in case of accidents, it may be a good idea to obtain an additional (liability insurance policy).
10. To be a good team player, each employee must be:
- (dependable)
 - (cooperative)
 - (supportive)
 - (responsible)
 - (caring)
 - (respectful)
11. Describe the positive aspects of being evaluated by your employer. (Understanding your strengths and weaknesses is key to gaining knowledge that will help you become a more skilled practitioner.)
12. Asking your employer for suggestions on how to do your job better demonstrates that you are mature enough to handle (constructive) criticism.

TOPIC 2: GOING INTO BUSINESS FOR YOURSELF

1. Define *booth rental*. *(Booth rental is an arrangement in which the esthetician is required to pay the owner a set rental fee, along with payment of utilities as agreed upon, to operate within the confines of a particular space within the owner's establishment.)*

2. List five advantages of renting a booth in a salon.
 - a) *(minimal investment required to establish the business)*

 - b) *(generally lower maintenance fees)*

 - c) *(flexibility in terms of schedule)*

 - d) *(possibility of joint advertising, at a lower rate)*

 - e) *(possible opportunity to access clients from owner's clientele)*

3. List five disadvantages of booth rental.
 - a) *(having to keep all records for legal and tax purposes)*

 - b) *(sole responsibility for all day-to-day operations)*

 - c) *(paying for own malpractice and health insurance)*

 - d) *(no benefits such as paid vacation and sick time)*

 - e) *(possible limitation to salon hours for conducting business)*

4. What factors must enter into a decision about where to locate a salon or spa?
 - a) *(target market)*

 - b) *(visibility)*

 - c) *(accessibility)*

5. What are demographics? How can a knowledge of the demographics of an area be helpful in deciding where to locate a business? *(Demographics are the particular identifying characteristics of an area or population, such as the specific size; age, sex or ethnicity of its residents; average income; and buying habits. This information can help you decide if the type of salon or spa you want to open would be a good fit with a particular area.)*

6. It is possible for similar businesses to exist next to each other successfully if they target *(different markets)*

7. Because of potential competition, it is important before opening a business in any area to thoroughly (investigate the services offered by other salons in the area.)
8. A (business plan) provides you with a map or blueprint that can guide you in making informed decisions.
9. List some of the information that should be included in a business plan.
- a) (general description of the business and the services to be provided)
 - b) (number of employees to be hired, salaries, and benefits)
 - c) (costs related to operations, including plan for financing, price structure, cost of equipment, supplies, rent, utilities, insurance, taxes, and marketing)
10. Define these terms:
- a) fixed costs (costs that are constant, such as rent and loan payments)
 - b) variable costs (expenses that can fluctuate, such as utilities and supplies)
 - c) revenue (income from selling services and products; money coming in)
 - d) profit (the money available after all expenses are subtracted from all revenues)
11. List fourteen factors that should be kept in mind as a salon layout is planned.
- a) (maximum efficiency and safe and comfortable environment for practitioners and clients)
 - b) (professional ambience)
 - c) (inviting color scheme)
 - d) (amenities such as music and reading materials)
 - e) (reception area)
 - f) (flow of services from reception area to each treatment room)
 - g) (adequate aisle space)
 - h) (space for equipment in treatment rooms)
 - i) (furniture, equipment, and fixtures chosen on basis of cost, durability, safety, utility, and appearance)
 - j) (warranties and insurance)
 - k) (storage space and mobility of dispensary)
 - l) (adequate lighting, plumbing, and utilities for planned services)

- m) (adequate ventilation, air conditioning, and heating systems)
 - n) (clean and accessible rest rooms)
12. In some states there are levels of (licensure) that may require a practitioner to work under another, more experienced professional for a certain period of time before operating independently.
13. Sales tax, licenses, and employee compensation are regulated by the (state).
14. Building renovations and business codes are supervised by (local city or town officials).
15. The federal government oversees laws regarding:
- a) (social security)
 - b) (unemployment compensation)
 - c) (cosmetic and luxury taxes)
16. One insurance obligation required by law is (workers') compensation.
17. The government agency that oversees workplace safety is (Occupational Safety and Health Administration or OSHA).
18. Name and describe briefly the three different kinds of business ownership.
- a) (sole proprietorship—proprietor is sole owner and manager, responsible for determining all policies and making all business decisions; accountable for all expenses, receives all profits, and bears all losses)
 - b) (partnership—two or more people share ownership; each partner assumes the other's unlimited liability for debt; all partners share profits)
 - c) (corporation—three or more people called stockholders share ownership and cannot lose more than their original investment; corporation is a legal entity separate from its owners with its own rights, privileges, and liabilities, subject to specific tax laws and regulations, managed by board of directors)
19. Before buying an established salon—and for many other transactions—it is a good idea to consult professionals such as (lawyers) and (accountants).

20. List five ways you can protect your business against fire, theft, and lawsuits.
- (Always lock and secure the premises.)*
 - (Maintain adequate liability, fire, malpractice, and burglary insurance.)*
 - (Always practice within the boundaries of your professional license.)*
 - (Follow all laws governing the practice of esthetics in your state.)*
 - (Keep accurate records of employees' salaries, length of employment, and social security numbers, and follow all regulations required by law to monitor workers' welfare.)*
21. One aspect of good money management is determining how much capital you will need to operate your salon for at least (two) years.
22. When you price the services your salon offers, you should know what your clients want and value as well as (what they are willing to pay for these services).
23. To develop smooth and harmonious working relationships in the salon, a manager must:
- (set clear boundaries and objectives)*
 - (communicate respectfully)*
 - (resolve conflicts quickly and diplomatically)*
24. Salon policies concerning such problems as cancellations, no-shows, and product returns should be posted in an area that is extremely (visible).
25. Why is it important to keep accurate records pertaining to your business?
- (Records help you determine income, expenses, profits, and losses.)*
 - (Records help you assess the net worth of the business and arrange financing.)*
 - (Records are required by local, state, and federal laws regarding taxes and employees.)*
26. Canceled checks and payroll, monthly, and yearly records should generally be held for at least (seven) years.
27. Keeping a careful track of inventory helps you:
- (prevent shortages)*
 - (avoid overstocking)*
 - (remain alert to any pilfering)*
 - (measure the net worth of the business at the end of the year)*

28. Name and define the two categories of inventory.
- a) (consumption supplies—items used to conduct business operations on a daily basis)
 - b) (retail supplies—items available for sale to clients)

TOPIC 3: OPERATING A SUCCESSFUL SKIN CARE BUSINESS

1. Clients form their first impression of a salon in the (reception area).
2. What are the primary functions of the receptionist?
 - a) (greeting clients)
 - b) (answering the telephone)
 - c) (booking appointments)
 - d) (keeping staff informed and on schedule)
 - e) (recommending services and products)
 - f) (informing customers about policies and procedures)
3. What kind of information must a receptionist be prepared to give clients? (The receptionist must be knowledgeable about all treatments and procedures, the cost of these services, and how long it takes to perform them.)
4. The receptionist can help everyone stay on schedule by being careful not to (overbook).
5. The lifeline of salon operations is still considered to be the (telephone).
6. List nine guidelines for telephone etiquette in the salon.
 - a) (Answer the phone within three rings.)
 - b) (If you must place a caller on hold, ask permission first and be polite.)
 - c) (Keep the voicemail system user-friendly.)
 - d) (Return all calls promptly.)
 - e) (Project a positive, welcoming attitude.)
 - f) (Be courteous and attentive.)
 - g) (Listen respectfully, with your full attention.)
 - h) (Confirm appointments 24 to 48 hours in advance.)
 - i) (Address the client properly by name when leaving messages and provide exact information in a polite manner.)

7. Name the factors you should consider when evaluating prospective employees.
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| a) <u>(experience)</u> | d) <u>(communication skills)</u> |
| b) <u>(level of skill)</u> | e) <u>(personal presentation)</u> |
| c) <u>(overall attitude)</u> | f) <u>(philosophy of skin care)</u> |
8. What is a job description? (A job description provides the employee with a specified list of duties and responsibilities he or she is required to perform.)
9. Job descriptions help employees understand what is expected of them, and also provide a standard for (evaluating an employee's performance).
10. What is the difference between an employee manual and a procedural guide? (The employee manual or handbook may cover general information about salon operations, such as sick days, vacation time, holidays, procedure for calling in late or sick, dress code, health insurance, and policy on purchasing goods or services from the salon. A procedural guide standardizes operations, may include specific protocols for individual services, and may address safety concerns such as sanitation.)
11. List nine guidelines for establishing good employee relations.
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| a) <u>(Treat employees with dignity and respect.)</u> |
| b) <u>(Practice positive communication skills.)</u> |
| c) <u>(Let employees know you appreciate them, perhaps with profit sharing or bonuses.)</u> |
| d) <u>(Meet payroll obligations on time.)</u> |
| e) <u>(Offer as many benefits as possible and cover as much of the cost as possible.)</u> |
| f) <u>(Set clear goals and objectives and be consistent.)</u> |
| g) <u>(Evaluate productivity and provide pay increases fairly.)</u> |
| h) <u>(Set standards for how you will pay employees.)</u> |
| i) <u>(Learn to motivate employees with incentives.)</u> |
12. Define *public relations*. (Public relations, or PR, is planning and developing relationships to achieve a certain desired behavior.)

ACTIVITY

Design a salon that will serve men and women, keeping in mind that privacy is needed. Describe the color scheme, décor, etc. Design the gowns that will be used for protecting clothing. What music, if any, will be playing? How do you feel that this plan will promote a unisex salon?