Why do you need salon software?

NHF

In association with Premier Software

salon
by premier software

Introduction

KNOWLEDGE IS POWER, IT'S TIME TO UNLOCK THE SECRETS OF YOUR SALON...

Every salon owner should know exactly how their salon is performing and which direction they are moving in.

If you don't know where you are, it's very hard to plan how you'll move forward and what more you can do to grow your business.

Businesses that don't use any kind of computerised system find it almost impossible to track key performance indicators such as average bills, rebooking, retention, colour percentage and retail sales.

Trying to collate this information manually is a very difficult and time consuming process - but without it how can you manage your team, your clients or your salon effectively?

Let's look at how software can help in each of those areas.

How the NHF can help

Check out the NHF's other guides on all aspects of running a hair or beauty business at www.**nhf.info/nhf-guides**

NHF Guides

- Absence management
- Allergy alert testing
- Apprenticeships
- Becoming a training provider
- Business finance
- Card payment processing
- Careers
- Chair renting
- Client experience
- Complaints
- Data protection and wi-fi
- Employing people
- Franchising
- Health and safety (part of kit)
- Managing performance
- Marketing your salon
- Minimum wages
- Pensions
- Prices, wages and profit
- Recruitment
- Salon fit-out
- Salon software
- Self-employment
- Start-up guide (updated)

Important information

The information contained within this document is for information and guidance purposes only and must not be used as a substitute for seeking legal or professional advice. The information is correct at the time of writing.

Why do you need salon software?

YOUR TEAM

How well do you really know your team? Not personally – I expect you know them quite well in that sense – but professionally? Do you know which of your team:

- earns you the most profit?
- has the highest colour percentage?
- sells the most retail?
- works the hardest?

It's very difficult to accurately answer these questions without the information to do so. Salon software holds all the answers to these questions because, while you use the software for your daily routine, it quietly collects and analyses all this information for you. All you need to do is to read the reports!

Think of your salon reports as your 'Salon SatNav' – it shows you where you are now and gives you the information you need to get where you want to be.

There are key areas of staff performance that should be monitored in any salon. They will give you clear indications of where the team are performing well and where they need to improve.

WHAT SHOULD YOU MONITOR WITH YOUR TEAM?

Hours worked compared to time spent with clients – allows you to monitor time spent with clients versus time spent in the staff room! This gives you valuable information about their productivity and working hours.

How many clients are having colour – tracking your colour percentage allows you to easily find out where improvements are needed, e.g. could improving the number of clients who have colour increase your profit?

What's your average bill – this is an essential number to monitor. If you could add just £1 to every bill in your salon, just imagine the monetary rewards. You can look at treatments, retail etc and see where your staff can up-sell to improve their average bill.

Number of new clients – how many NEW clients are really coming through the door and who do you book them in with? A lot of salons make the mistake of booking new clients in with a junior stylist who is trying to build a column. Although this may seem to make sense, is that really the experience you want a new client to have when they visit you for the first time?

Client retention – another essential area that you need to pay attention to is how many of your clients are returning and, even more importantly, NOT returning. This can then be linked to your marketing so that clients who haven't rebooked after a certain period can automatically receive a reminder to book.

Treatment sales – if clients don't have a treatment when they visit the salon, are you really offering them the best service and haircare? Struggling to sell is a problem that a lot of hairdressers battle with but treatments should be seen as an essential part of caring for the client, not just a way to increase their average bill.

Retail sales – would you really allow your client to pay for the beautiful services you have just performed and not give them the right tools to maintain and protect their look? Aftercare products, like treatments, are essential to keep the client's hair in tip top condition between salon visits and this should be reflected in your retail sales.

NHF Members can download our free guide to Managing Performance at our shop www.nhf.info/nhf-guides

YOUR CLIENTS

Your client database is your most valuable salon asset. Recording key information about your clients and using the tools in your software system can produce a 'client journey' success story with very little effort.

A client journey starts when the new client contacts the salon. From this moment forward every action you take (or don't take) will influence the client's opinion of your business.

Automated marketing will allow you to send key information to new and existing clients alike. A new client welcome card or a thank you can work wonders for their first impressions and sending a thank you for referring a friend may help to ensure clients continue to recommend.

NHF Members can download our free guide to Delivering an Outstanding Client Experience at our shop www.nhf.info/nhf-guides

TARGETED MESSAGES

Gathering information about your clients will allow you to send meaningful, targeted messages to them about services and offers that are of interest. As well as ensuring clients are up to date with offers, you should also look at the things you could introduce to improve the client's experience, for example many clients absolutely love technology such as booking online and appointment reminder texts. Technology can vastly improve the service you provide to your client, whether that's being able to make web bookings out of hours or an all important reminder of their upcoming appointment. We all live busy lives and anything you can do to make the client journey smoother can only add to their sense of loyalty.

NEGATIVE SITUATIONS

As well as allowing you to improve client experiences, your client data can also help to improve negative situations that sometimes occur. If clients fail to show up for their appointment then this will all be logged so that you can easily identify the repeat offenders that cause issues. Then you can consider applying a charge to their account of a warning to discuss this with them on their next visit – very difficult if you have no data to back up what you're saying, but extremely easy and effective if you can use your salon software system to do this.

YOUR SALON

Your salon software is effectively your silent 'Salon Manager' and holds the key to running a more efficient and profitable salon.

It can assist you with many, sometimes neglected, areas of the business.

Stock control is difficult to manage but with a software system practically all of the work is done for you. By tracking what you sell and use within the salon, it can produce automated stock orders that can simply be amended and forwarded to your rep.

Having accurate stock information also allows you to track the value of product you hold and your most profitable and popular products, ensuring that you don't waste money or tie up valuable cash flow when it's not needed.

Utilising all the tools available can save you money in other areas.

Commission reports and information can often save money on payroll with accountants and allow you to accurately calculate what is owed to each member of the team. This is also useful as incentives – it's amazing how people can react when team performance is displayed in the staff room!

In short, a software system will consistently monitor and track every area of your business ensuring that you are informed with all the facts before you make any decisions.

Only when you know where you are can you find out how to get to your next destination!

#NHFKNOWHOW ...

Ever wondered what makes a good salon great? It's the same thing that makes all businesses great – consistency and customer service.

We've all had an 'average' meal in a restaurant that gave exceptional service and the chances are we've gone back. Consistency in the salon is the key to success, the client should have the same amazing experience every time they visit you, but we all know this is very rarely the case. You need to make sure you have clear guidelines for how a client should be treated at every step of their journey and all staff should do their utmost to ensure that they deliver that level of service. Simple and effective extras like a free mini-manicure, treatment or styling advice are easy and cost effective to provide and make a big impact.

Software can really help to add the personal touches that an exceptional experience requires. Simple things like recording a client's drink and favourite magazine give a warm and familiar feel to their arrival. Good client notes allow you to discuss past appointments and where they want to progress with their hair. Well-placed marketing can send client welcome messages and thanks. It's a great idea to add a questionnaire to your thank you email and you can then utilise the feedback by posting this onto your Facebook page so other potential clients can see how well you look after your clients.

Software can also help to really take the service to the next level allowing you to book a client's next appointments from the comfort of the chair instead of making them queue at reception. This can be easily achieved by utilising diary access to your software on a tablet.

Let's bring the pampering and luxury back to salon visits and treat all our clients like the precious gems they truly are!

How to find your perfect salon software

Installing a computerised diary can seem daunting but the benefits of increased client contact, better time management and performance monitoring tell their own story.

Here are our top tips when looking for a salon software provider:

- Do your research and shortlist the companies you want to see. The NHF may be able to help with recommendations or Trade Members. It is advisable to contact each company you're interested in and get further information before meeting with them. If you feel comfortable after your conversation, then arrange face-to-face demonstrations with their representatives.

- Make sure you're happy with the companies you choose to see and don't be afraid to ask questions. Check how long they have been trading, if they are UK based and what kind of service they offer, for example, do they return to visit you after the installation? How much help and advice can they provide? How do they differentiate themselves from other software companies?

- Make sure you understand what you want from your software and what is important to you. You should first look at the diary, marketing, reporting and stock functions and then other benefits such as text reminders, web booking and accessing your software when you're away from the salon.

- Get clear quotes from your chosen potential suppliers and make sure you read the small print. Software quotations can be complicated and it's not always easy to see what exactly you're paying for. If you have any queries always check and get an answer in writing before you place your order.

- Make sure you understand all the ongoing costs and what's included or not included in any support package. Some companies charge for their services individually so web booking or access from home can be additional to their standard support fee – make sure you check all the details.

- Look at the combined software, hardware and package options. Purchasing a complete package could well save you money and for start-up businesses you may find it easier to purchase an entire package - that way the software company will set up and install all the software and hardware for you and you won't have to start shopping around for PC's or other equipment.

- If you have already employed your team then get staff "buy in". Show them how the software will improve their client relationships and their turnover; if your staff are going to be self-employed you could include use of the software system in your service charge.

- Plan to have your software installed BEFORE you open the salon if this is possible. It is far easier to set things up and complete all the training when the salon is closed - once you've launched the business this will be far harder to achieve.

- Don't get stressed! Your supplier will have been through this process many times with other salons and so should hold your hand all the way.

What does your diary need?

The diary element of your software will be used every day and probably by all of your staff, so it's essential that it's **simple** and **easy to use**. Many salon employees are not used to computers at work so if possible choose a touch screen. This way staff really only need to point at the screen to select anything.

There are key areas you should focus on when looking at the Diary:

- Ease of booking and moving appointments

- Detailed client card that can hold a selection of data

- Allergy alert test records and prompts for when tests are due (the NHF provides free allergy alert test guidelines and record cards)

- Ability to book recurring appointments for the same client, i.e. their next 10 appointments

- Waiting/cancellation list used effectively as this can reduce lost time and wasted appointments

- Easy to use cashing up

- Petty cash facility to record and track any money used from the till for salon purchases

- Product waiting list so that you're aware of any clients waiting for out of stock products

- Ability to take deposits, pre-payments and run client 'accounts'

- Colour notes and appointment records for each client

- Recommended stock for each client - holding a prescription for your client on their record

- Track and monitor gift vouchers, the more secure the better (you can order gift vouchers from the NHF)

- A computerised diary system should assist with all the general reception duties, ensuring staff take details and information when needed whilst at the same time providing valuable prompts and reminders for rebooking, allergy alert tests, retail purchases and colour notes.

#NHFKNOWHOW ...

Are you washing your profit down the backwash?

Would you like to make more profit in your salon? I assume the answer is YES!

It's easy to focus on the turnover of your salon but it is far more important to ensure that your business actually makes money. One quick and easy way to increase profit is to reduce costs - and with a little time and effort this can be easily achieved.

Let's start with the basics:

Rent, Business Rates, Electric, Water, Telephone – the list goes on and on but it is really worth ensuring you are getting the most competitive deal possible on all your outgoings and usually there are cheaper alternatives or room for negotiation without compromising the service, for example negotiating a reduction in business rates with the Council.

It is important to regularly monitor costs and that includes the smaller items you purchase like client drinks, magazines and any hospitality you offer too.

Do you purchase all your tea and coffee in bulk? Would a wholesaler be cheaper? Would you reduce costs by buying your magazines direct for a full 12 months rather than from the local newsagents? You get a discount on magazines from the NHF too.

Another obvious area is your product cost - how much colour is wasted and gets washed down the backwash? It's worth reminding your staff that they can always mix more colour and reducing the amount of product that is wasted can save you a substantial amount.

Taking a good look at what your true costs add up to each month can be a daunting task but it is worth the effort! The old adage 'Look after the pennies and the pounds will look after themselves' still rings true and it will ensure you not only survive but thrive!!

Happy penny pinching!

WHAT SHOULD YOUR REPORTING SHOW YOU?

We have already looked at how beneficial reporting can be to your business but specifically what should you be looking for when it comes to reports?

The information that reporting offers should be comprehensive but easy to access, it helps if some of your reports are visual, a lot of people tend to respond better to pictures than words especially within the hair and beauty industry. There are usually far more reports than you will ever need but the key areas to focus on are:

Staff Performance

* Average bill
* Rebooking
* Client retention
* Colour % and value
* Retail
* Treatments
* Profitability
* Commissions and hours worked

Salon performance

* Takings and financial reports
* Refunds and discounts
* Daily/weekly totals
* Service analysis - what you are selling and how much?
* Vouchers sold and redeemed
* Stock value
* Best selling products

Client statistics

* Frequency of client visits
* Clients not returned
* Top spending clients
* Client recommendations and referrals
* Client loyalty
* Cancellations billed
* Web bookings made

WHAT SHOULD MARKETING DO FOR YOU?

Marketing is essential to any business and client contact should be at the heart of your salon priorities. This can be very difficult and expensive to co-ordinate, not to mention extremely time consuming. One of the most effective benefits of installing salon software is the positive impact the marketing can have on your salon.

There are really only two types of marketing when it comes to software:

* **Campaign** - where you run a list of specific clients and send them all an offer or newsletter
* **Automatic** - marketing that your system sends every day without any action from you

These are both equally important tools and neither should be overlooked.

Campaign marketing should allow you to target certain groups of clients by various criteria, for example, their age, gender or any other personal details, the services they have, the staff member they usually see and the products they have purchased – or a combination of these fields. This will allow you to send specific, targeted marketing to your clients as and when needed.

Automatic marketing allows you to set up certain correspondence that your system will send out every day for you automatically. These should include new client welcomes, thanks for recommending a friend, missing you, lost client and happy birthdays. You should be able to set up your marketing so that you decide when these are sent, for example - a missing you message sent 12 weeks after their appointment if they have not rebooked. Having this facility provides consistency for your client contact and saves you a vast amount of time.

#NHFKNOWHOW ...

Based on industry statistics, client retention sits well below 50% and new client retention is even lower – a scary prospect! So what can we do to improve our retention?

Obviously the salon experience is a key factor but carefully considered communications with new and existing clients help to build stronger relationships and impart a more personal touch.

Imagine you're a new client booking your first service with a salon. Prior to your appointment you receive a 'welcome' email that builds confidence in your chosen salon and then following your visit you receive a personalised questionnaire asking about your experience. This is customer service at its best.

Trying to do this consistently within the salon is a challenge, especially if you're using a paper diary.

A salon software system with an automated marketing facility can free up valuable service time for you and ensure important correspondence is sent consistently to clients. New client emails together with missing you's, lost client emails and happy birthday messages are all sent on a daily basis with no input from you – what a powerful marketing tool for any business.

Maybe it's time to add a little 'magic' to your client experience.

Additional features to look for...

STOCK CONTROL AND MONITORING

A good software system should provide a full stock control system, keeping records of stock levels, stock value and stock orders as well as allowing you to monitor your internal stock used. Stock reporting should easily show you how much profit you're making on your individual brands and ranges as well as your best sellers and stock that doesn't sell. Stock is usually a large portion of a salon's expenditure so it makes sense to monitor how that money is spent and what return it gives you.

STAFF HOLIDAY AND SICKNESS RECORDS

It's always helpful to have accurate staff records, especially in this day and age so make sure you can record staff holidays and sickness on your system. This avoids any arguments and gives you clear records year on year.

It is also a good idea to record any disciplinary action or important discussions on your software. That way you ensure you always have accurate records and an audit trail if you need to prove anything. It's not nice to have to assume the worst before it's happened, but if you keep accurate records regarding your staff, you should never find yourself in a difficult position.

THE ICING ON THE CAKE

Web booking

Web booking could open the doors to your salon 24 hours a day 7 days a week!

In this ever-increasing world of technology a client's smart phone or tablet is often a vital part of the way they organise their life, containing everything from essential apps to their full contact list. How helpful would it be, as a client, to be able to book an appointment when the salon was closed,

or discreetly when they are sitting at their desk.

As hairdressers we're used to dealing with everyone face-to-face but many of our clients spend their working life in an office dealing with everything by email or on-line so web booking may be a far more convenient way for these clients to book their appointment.

Web booking also allows your clients to book their appointments at any time of the day or night whether the salon is open or closed. As well as a link on your website (and don't forget to include this link in all correspondence you send to clients), you can also easily add your on-line booking to your Facebook page allowing you to post feedback and offers on Facebook with a direct link to book in to the salon.

Web booking will increase accessibility to the salon for your clients and also make the whole running of your reception far more efficient. Surely in this day and age no salon can afford to be without this vital technology?

Remote access

Not many salon owners have the luxury of free time whilst they are in the salon, so access to your software from home will probably be essential. Most software providers are able to offer a live remote access that can be installed on another computer away from the salon.

This will allow you to access all the functions of your software without affecting what's happening in the salon so you can look at reporting, do stock orders or set up marketing when you're at home.

Some software providers can provide diary access on mobile devices such as mobiles or tablets allowing you and your staff to book appointments whilst on the move.

CHECK THE SMALL PRINT (WHAT TO BEWARE OF)

Hidden extra charges

The cost of your software is obviously a consideration but it's important to consider the ongoing costs such as support, upgrades, web booking or remote access. Make sure you confirm what is included, and if features such as web booking or accessing your software from home are included. What appears to be a reasonable support cost can easily creep up if extras are charged for. Also look at texts or email costs as this will have an impact on your monthly bill.

Additional support and upgrade costs

It is always beneficial to check if upgrades are chargeable or included in your support, you don't want to be paying money every year just to keep your software up-to-date and over time these fees can add up to considerable amounts.

If possible find a provider that doesn't charge you for these updates. Make sure you ask the cost of other extras such as training when you are considering which supplier to choose. Some software companies will offer to visit you free of charge to make sure you get the best from the system, while others will charge for such things.

Upgrades that tie you in again

It is commonplace for a support contract to tie you in for an initial period, but beware of taking upgrades without checking if this obligates you for a lengthier period of time.

You should always pay for support as this is effectively your 'insurance policy' for your software and provides you with assistance should you get stuck or anything goes wrong. Often support is only contracted for the first few years. This means that if you wish to change suppliers later on, you would be free to do so.

Make sure you check these details carefully. Some companies will offer upgrades - which you gratefully accept, only to find out that by taking the upgrade you are again tied into a lengthy contract.

The best option is to look for upgrades that are included with your support. This works on the premise that you're entitled to any updates as long as you pay the support fee, but if you wish to cancel after your initial contract period you're free to do so.

How the NHF can help

The NHF is the UK's largest trade body for hairdressing, barbering and beauty salons. Established in 1942, we are an independent, not-for-profit organisation.

Member Benefits

Take a look at our Member benefits and how we can help you run a successful hair salon at nhf.info/benefits

- Peace of mind with free employment law advice and contracts.*

- Save professional fees with our free legal, tax, VAT and payroll Commercial Lifeline.*

- Protect your team with free advice on all aspects of health & safety.*

- Gain a voice in the industry and help shape your future.

- Cut through red tape with our auto-enrolment pension scheme.

- Safeguard your business with 20% off specialist industry insurance.

- Stay legal with our chair/room renting agreements.

- Save time and money with our experienced business support.

*Terms and conditions apply

Business support and training

We also run training events to help boost your profits, manage your team and grow your business - discover our latest training events at nhf.info/events.

Save lawyers' fees with our free employment contracts

Employment and Apprenticeship contracts come free with your NHF membership, as do chair renting agreements. And, if you're thinking about chair renting, the NHF has a detailed practical guide on the pros and cons and how to avoid the pitfalls.

Take a look at the NHF Member benefits and join the NHF today!

Quote SOF to get £25 off your first year's NHF membership. www.nhf.info/join or call us on 01234 831965

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