



A Place for Passionate + Purpose Driven Salon Owners
to Create an Awesome Biz + Brand + Life

Pricing + Brand + Business Fundamentals Workshop

Overview

- **What Are Fundamentals?**
- **Examples of Sales Fundamentals**
- **Where Pricing Fits In The Context of Fundamentals**
- **Next Steps**





Awesome businesses and brands are created, lead and grown through executing the fundamentals consistently.

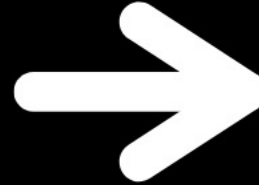


fundamental (adjective)
of central importance

fundamental (noun)
something fundamental
especially : one of the minimum
constituents without which a thing or a
system would not be what it is



Brand Fundamentals



Business Fundamentals

**Brand Story
Brand Identity
Brand Vision
Brand Values
Brand Name
Brand Trademarks**

**Leadership
Sales
Marketing
Operations
Human Resources
Education
Finance
Legal**

Business Fundamentals

Leadership	Sales	Marketing	Operations	Human Resources	Education	Finance	Legal
<ul style="list-style-type: none">-Culture-Coaching-Vision-Support-Team care-Team retention	<ul style="list-style-type: none">-Recruitment-Referral programs-Client retention-Client care	<ul style="list-style-type: none">-Pricing-Promotion-Online marketing-Offline marketing-Products-Services-Communications	<ul style="list-style-type: none">-Inventory-Client agreements-Booking-Client care	<ul style="list-style-type: none">-Team care-Team Agreements-Compensation-Payroll-Benefits-Employment/Tenant law compliance- Hiring/Onboarding- Firing/Offboarding	<ul style="list-style-type: none">-New hire training-Advanced education-Client education	<ul style="list-style-type: none">-Banking-Accounting-Bookkeeping (P+L)-Profitability-Accounts payable-Accounts receivable-Taxes	<ul style="list-style-type: none">-Contracts-Leases-Agreements-Compliance-Employment/ Tenant law-Trademarks



Sales Fundamentals

Recruitment of New Team Members

Ongoing building of relationships online and offline

Offline

Beauty school connections + give backs

Community outreach

Stylist referral program

Online

Review platforms (Yelp/Google)

Consistent social engagement relevant to target audience

Hosting education events

Advertising

Client Referral Programs

Gifts of gratitude for existing clients for sharing their experience with their friends

Keep it simple + clear

Keep it consistent

Keep it profitable

Tap into your salon software and apps to automate it



Sales Fundamentals

Client Retention

Retaining an existing client costs less time, money and energy than finding a new client

- 1. Deliver awesome experiences consistently**
- 2. Offer pre-booking every single appointment**
- 3. Create a post experience follow up process
(tap into your salon software + apps)**
- 4. Create a lapsed client process to check in when they get off schedule
(tap into your salon software + apps)**
- 5. Engage with them online through your branded hashtag, location tag or make time each week/month to go through your client list and reach out**



Pricing Fundamentals

- ➔ **Pricing is aligned with your brand**
- ➔ **Pricing is part of your marketing mix**
- ➔ **Pricing is driven by your business model**
- ➔ **Pricing is both a strategy and a science**
- ➔ **Pricing models + formulas are not unique to the salon industry**
- ➔ **There are service pricing models and product pricing models**



Service Pricing 101

Business Models



Employment based
High volume
Low price



Employment based
Low volume
High price



Lease based
Low volume
High price



Lease based
High volume
Low price



Suite based
Moderate volume
Moderate price

Business models play a part in pricing as much as brand, marketing and finance.

Service Pricing 101

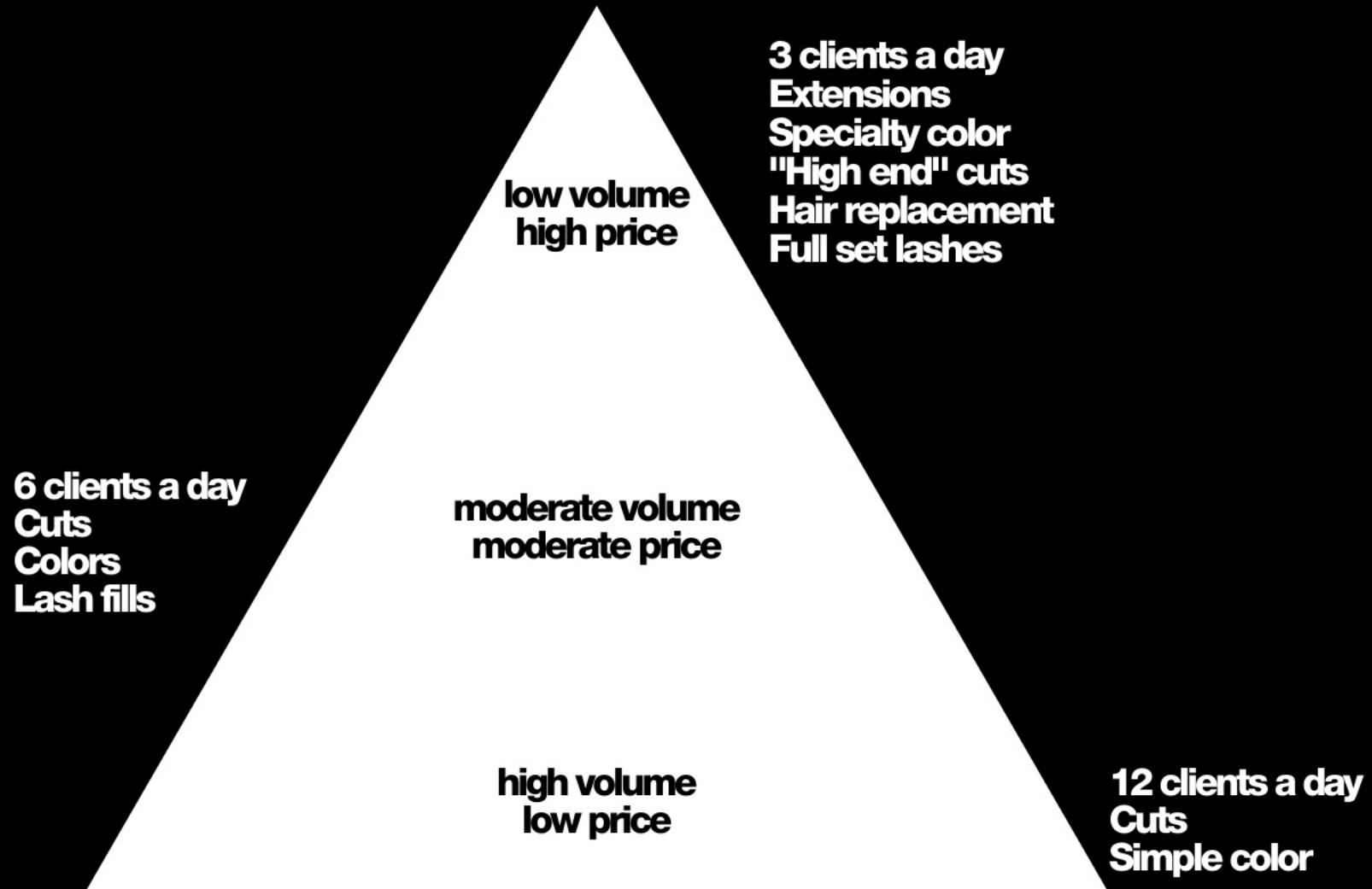
The Bigger Picture

Context

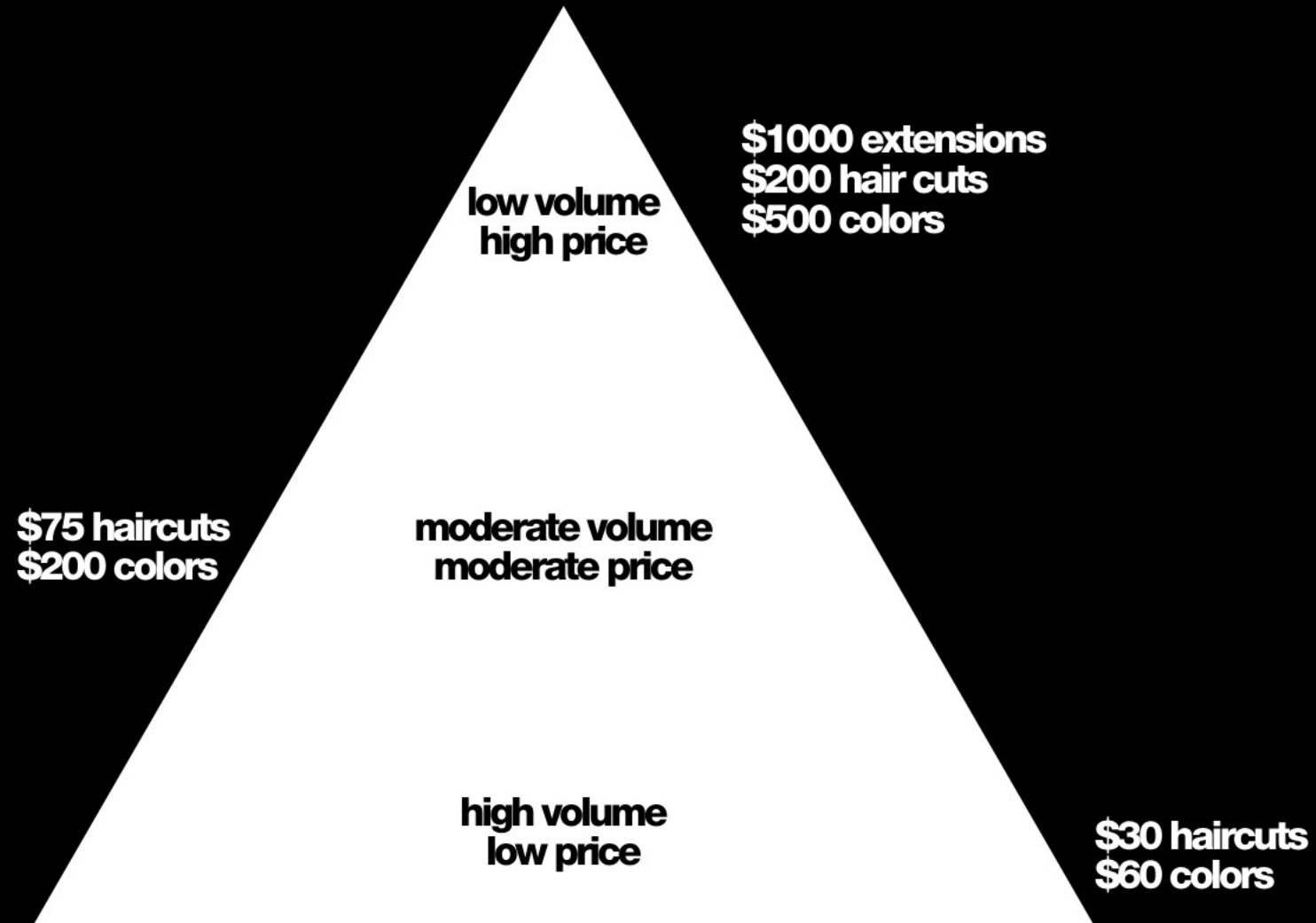
Yes, look at individual service pricing, and also, overall profitability.

-  **Brand**
-  **Business Model**
-  **Supply/Demand**
-  **Location**

The **Price** Pyramid



The **Price** Pyramid



Service Pricing 101



**cost of
labor**

This is the actual cost of the labor for the experience, plus all costs associated employment costs.

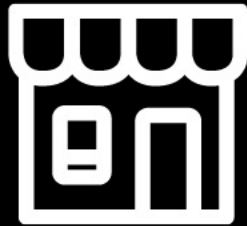
+



**cost of
supplies**

This is the actual cost of all the supplies you use to complete a service

+



overhead

This is the general overhead you pay per service such as rent, utilities, marketing, banking, etc.

=



**cost of
service**

This is the total cost of the service including labor, supplies + overhead

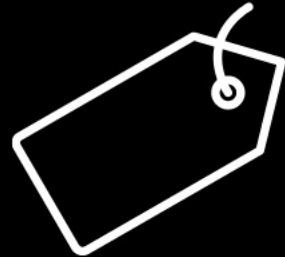
+



**desired
profit**

This is the net profit you desire from the service. Note that the average employment based salon generates 0-5% net profit

=



**minimum
service
price**

This is the minimum service price based on all costs and desired profit



Service Pricing 101

The Bigger Picture

Individual Service Profit vs. % of sales vs. Overall Business Profit



Your profit and loss statement and your salon software can/should show you each service broken down, it's profitability along with the % each service contributes to your overall sales.

This helps with making decisions on which services are profitable along with which services are losing money and need to be adjusted.

This also shows you your overall profitability which at the end of the day is what matters most.

Service Pricing 101

The Bigger Picture

Individual Service Profit vs. % of Sales vs. Overall Business Profit



6 haircuts a day at \$10 profit ea.
96 haircuts a month at \$960 total profit
1 hour per service



2 colors a day at \$30 profit ea.
32 colors a month at \$960 total profit
1.5 hours per service



2 hair extension install's per week at \$500 profit ea.
8 hair extension install's per month at \$4000 total profit
3 hours per service

Total Monthly Sales: \$5920

Haircuts: 16% of sales

Colors: 16% of sales

Extensions: 68% of sales

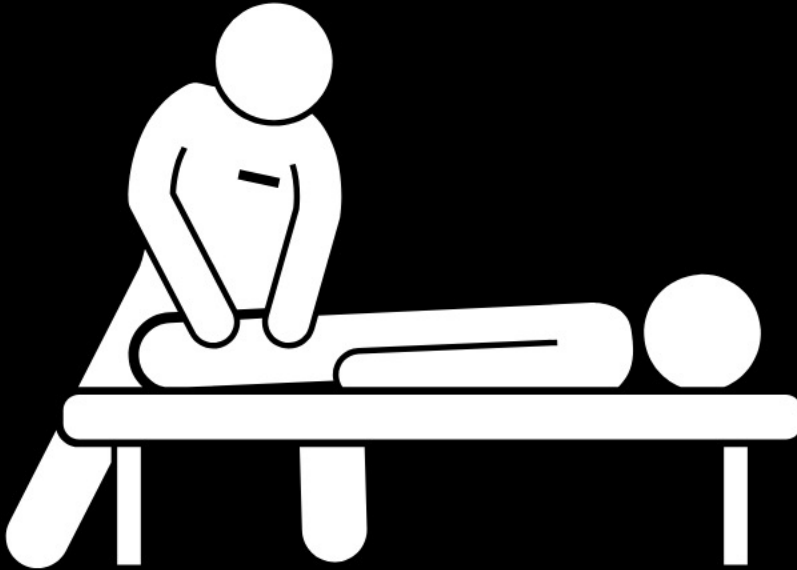
Based on 20 work days



Service Pricing 101

The Bigger Picture

The Massage Analogy



Massage: \$100
Service Time: 1 hour

Supplies:

Small body	4 oz. oil, 2 towels
Medium body	6 oz. oil, 3 towels
Large body	8 oz. oil, 4 towels

If the pricing is calculated on the medium body costs, the small body clients will yield more profit, the large body, less profit, however the net profit desired all averages out in the end.



Service Pricing 101

The Bigger Picture

Where does supply + demand fit into service pricing?

Supply
Appointments available

Demand
How many clients want appointments



Low Supply - High Demand - Higher Service Price



High Supply - Low Demand - Lower Service Price

Example

Brand: Luxury, exclusive, values intimate, high touch experiences

Business Model: Employment based, low Volume, high Price

Pricing Strategy: Luxury pricing, low volume, high price

Service: Haircut

Service Time: 1 hour



cost of
labor

\$75

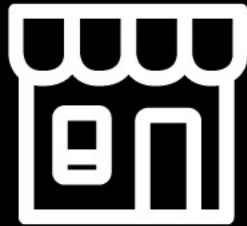
+



cost of
supplies

\$15

+



overhead

\$10

=



cost of
service

\$100

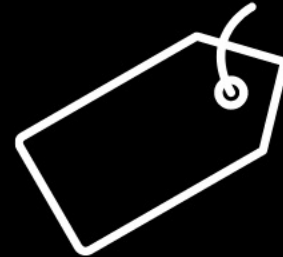
+



desired
profit

\$20

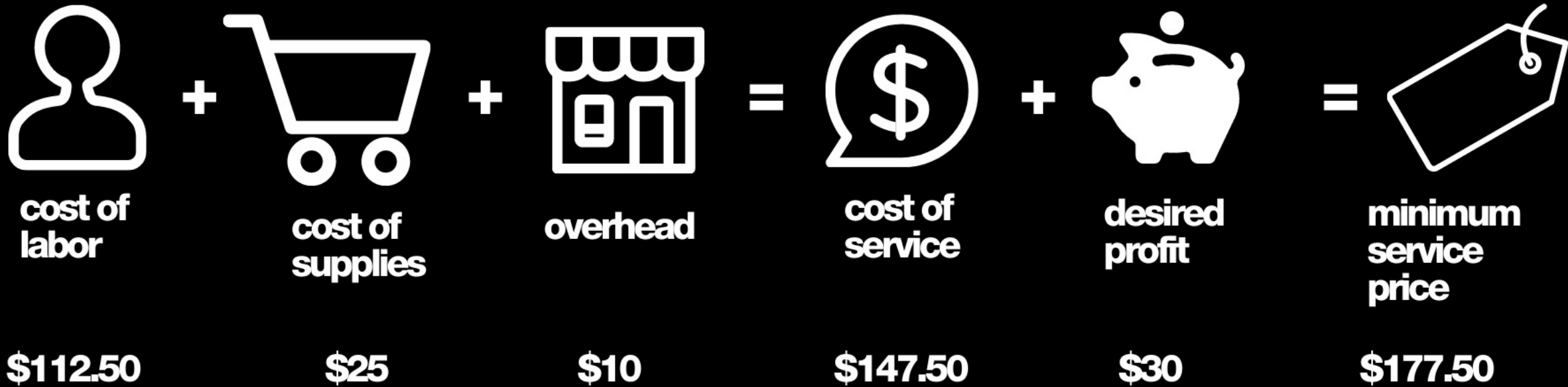
=



minimum
service
price

\$120

Example Brand: Luxury, exclusive, values intimate, high touch experiences
Business Model: Employment based, Low Volume, High Price
Service: Color Retouch + Conditioning Treatment
Service Time: 1.5 hours



Product + Supply Costs

Know your costs.

You can see them on your Profit + Loss, Quick Books, Salon Software

Cost Include:

Products used in service

Supplies used in service such as towels, foils, cotton, gloves

Beverage + snacks

Masks if you gift them

Any extra amenities you offer as part of the experience (essential oils, eye pads, etc.)

 **If an App that helps calculate costs helps you, great.**

No matter what, you must know your costs in order to run your business + price your services.

This **VS.** This

Stylist Focused + No Brand/Marketing + Confusing

Client Focused + Brand/Marketing + Simple



THE HAIR PLACE

PRICE LIST

HAIRCUT \$75
 BLOWDRY \$50
 BLOWDRY WITH CURLING IRON \$60
 BLOWDRY WITH TWO IRONS \$70
 DEMI COLOR \$60
 PERMANENT COLOR \$70
 DOUBLE PROCESS \$80
 HIGHLIGHT \$100
 5 FOILS \$60
 BALAYAGE \$150
 OMBRE \$150
 BABYLIGHTS \$100
 VIVID COLOR \$90
 MENS CUT \$20
 MENS COLOR \$30
 KIDS COLOR \$25
 WOMEN OVER 50 COLOR \$30
 EXTRA TUBE OF COLOR \$10
 OLAPLEX TREATMENT IF YOUR HAIR MELTS \$10
 EXTRA WATER \$5
 ANNOYANCE FEE \$20



THE HAIR PLACE

EXPERIENCE MENU

HAIRCUT EXPERIENCE

Your experience includes a relaxing 10 minute head, neck + shoulder massage, blow-dry, refreshing adult beverage of your choice + home care kit

Time: 1 hour
 Investment: \$75

COLOR EXPERIENCE 1.0

Color 1.0 is for simple color processes + techniques and for the color beginner.

Your experience includes a pre appointment consultation done in person or via video chat, a relaxing 10 minute head, neck + shoulder massage, blow-dry, refreshing adult beverage of your choice + customized color insurance kit

Time: 1.5 hours
 Investment: \$150+



THE HAIR PLACE

EXPERIENCE MENU

COLOR EXPERIENCE 2.0

Color 2.0 is for the more advanced color experience, including vivid color, unicorns and our rainbow girls. This experience includes a pre appointment consultation done in person or via video chat, a relaxing 10 minute head, neck + shoulder massage, style, refreshing adult beverage of your choice + customized color insurance kit

Time: 2 hours
 Investment: \$200+

COLOR EXPERIENCE 3.0

Color 3.0 is like rehab for your color. You likely had an oopsie at home or a previous salon. Your experience includes a pre appointment consultation done in person, a 10 relaxing minute head, neck + shoulder massage, style, refreshing adult beverage of your choice + customized color insurance kit

Time: 3 hours
 Investment: \$300+

Building trust with you through healthy communication + transparency are important to us at The Hair Place. This is why we include a consultation with every experience. Thank you for choosing us.

This VS. This



THE HAIR PLACE

PRICE LIST

HAIRCUT \$75
BLOWDRY \$50
BLOWDRY WITH CURLING IRON \$60
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MENS CUT \$20
MENS COLOR \$30
KIDS COLOR \$25
WOMEN OVER 50 COLOR \$30
EXTRA TUBE OF COLOR \$10
OLAPLEX TREATMENT IF YOUR HAIR MELTS \$10
EXTRA WATER \$5
ANNOYANCE FEE \$20

Frenchies
modern nail care

STUDIO

FORT COLLINS, CO

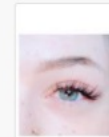
[Change Studio](#)

I want to book an appointment for

SELECT A SERVICE

HANDS	FEET	MORE!
Classic Mani Pretty nails done pretty quick.		\$35.00 35min
Classic Gel Mani Lovely nails and long-lasting gel beauty.		\$50.00 45min
Signature Mani Special touches make for a fabulous mani.		\$40.00 40min
Signature Gel Mani Our MOST POPULAR mani features special touches and long-wearing gel polish.		\$55.00 50min
Deluxe Mani Spa-like mani that pampers and relaxes.		\$55.00 50min

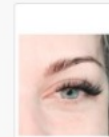
▼ Eyelash Extensions



Eyelash Extension Set - Hybrid

Eyelash Extension Set - Hybrid (\$175+)
Blend of individual and multiple synthetic eyelash extensions are applied to individual natural eyelashes, one extension at a time, for a natural, elegant look to lengthen and add fullness to the existing lashes.

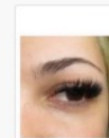
[Request](#)



Eyelash Extension Set - Volume

Eyelash Extension Set - Volume (\$225+)
Multiple (2D-8D) synthetic eyelash extensions are applied to individual natural eyelashes to create depth, volume, and texture. Great for clients who don't have a lot of lashes, have sparse lashes, bald spots, or just want a more dramatic look without the weight of a thicker lash.

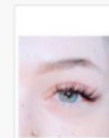
[Request](#)



Eyelash Extension Set - MEGA Russian Volume

Eyelash Extension Set - MEGA Russian Volume (9D-16D) (\$350+)
Multiple (9D-16D) synthetic eyelash extensions are applied to individual natural eyelashes to create bold volume and texture.

[Request](#)



Eyelash Extension Fill - Hybrid

Eyelash Extension Fill - Hybrid (\$75+)
Blend of individual and multiple synthetic eyelash extensions are applied to individual natural eyelashes, one extension at a time, for a natural, elegant look to lengthen and add fullness to the existing lashes. ?

[Request](#)



This **VS.** This



THE HAIR PLACE EXPERIENCE MENU

HAIRCUT EXPERIENCE

Your experience includes a relaxing 10 minute head, neck + shoulder massage, blow-dry, refreshing adult beverage of your choice + home care kit

Time: 1 hour
Investment: \$75

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Time: 1.5 hours
Investment: \$150+



THE HAIR PLACE EXPERIENCE MENU

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Time: 2 hours
Investment: \$200+

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Time: 3 hours
Investment: \$300+

Building trust with you through healthy communication + transparency are important to us at The Hair Place. This is why we include a consultation with every experience. Thank you for choosing us.

New Pricing Effective Now

I have decided to begin using hourly pricing as the way I was pricing before did not take into account all the costs I had which are huge as I spent \$20,000 on supplies last year and need to make a profit to cover my expenses like rent, health care and having fun.

This is also to make it easier for you. YAY!

Haircuts \$50
(hourly pricing does not apply to haircuts)

Basic Color \$150 an hour
Balayage \$175 an hour
Specialty Color \$200 an hour

Client Communications Is Part of Your Marketing

Your clients DO NOT need to know about your financials, business or marketing strategy. This is not what transparency looks like. It's simply not relevant.

Does your Doctor, Therapist or Dentist tell you;

How much they spend in education?

How much their supplies cost?

How little profit they made last year?

How they struggle with pricing their services?

What their personal health insurance benefits situation is?

No.



Client Communications Is Part of Your Marketing

Clear, transparent communication looks like...

- ➔ **This is the problem we solve for you. (brand purpose)**
- ➔ **This how we do it. (brand promise)**
- ➔ **This is who we do it for. (brand people)**
- ➔ **These are our solutions to your problems. (services + products)**
- ➔ **This is what you can expect from your experience.**
- ➔ **This is the investment. (time + money)**
- ➔ **This is how you reserve your experience with us.**





Nina L. Kovner on Pricing

LIVE chat

LIVE CHAT WITH NINA ON PRICING
Added 4 years ago



Pricing + Promotions

Workshop

**PROMOTIONS + PRICING + PROGRAMS PROFIT & LOSS +
BENCHMARKS (2016)**
Added 5 years ago



Pricing + Promotions 2019

Workshop

PRICING + PROMOTIONS WORKSHOP 2019

Added 2 years ago



5 STEPS
TO BEGIN
CREATING YOUR
AWESOME BRAND

Digital Course

CREATING YOUR AWESOME BRAND DIGITAL COURSE

Added 2 years ago



Salon Economics 101

Workshop

SALON ECONOMICS 101- PRICING, BENCHMARKS, KEY
PERFORMANCE INDICATORS

Added 3 years ago





Salon Economics 101 Revisited

Workshop

**SALON ECONOMICS 101 REVISITED + PRICING + COSTS
2020**

Added 1 year ago



2019 Review + 2020 Planning

Workshop

2019 REVIEW + 2020 PLANNING WORKSHOP

Added 2 years ago



Kristin Rankin on gender affirming salons, pricing + more

LIVE chat

**GUEST MENTOR KRISTIN RANKIN OF THE DRESS CODE
PROJECT ON GENDER AFFIRMING SALONS, SERVICES,
PRICING AND MORE**

Added 2 years ago



Discussion

**Compensation + Benefits +
Costs + More**

Leaders

Amber O'Hara + Katie Tellor

After School Sessions

**AFTER SCHOOL SESSIONS: COMPENSATION + BENEFITS +
COSTS + MORE**

Added 6 months ago



**Finance
with Gordon Miller
Part 2**

Guest Mentor LIVE Chat

**GUEST MENTOR LIVE CHAT ON FINANCE WITH GORDON
MILLER PART 2**

Added 7 months ago



**Finance
with Gordon Miller
Part 1**

Guest Mentor LIVE Chat

**GUEST MENTOR LIVE CHAT ON FINANCE WITH GORDON
MILLER PART 1**

Added 8 months ago

Next Steps

- ➔ **Review your business + brand fundamentals to determine which area you want to focus on**
- ➔ **If pricing is your focus, gather your sales reports, profit + loss statement**
- ➔ **Take a look at brand story, business model and financials to see if they are aligned**
- ➔ **If it is time to do a price increase or adjustment, we have Workshops to help you**
- ➔ **If you are struggling with your pricing communications, bring it to our group for support**
- ➔ **Take one thing at a time.**
- ➔ **Engage an expert if you need extra support.**
- ➔ **Slow, steady and strategic.**





The Fundamentals Workbook

coming very soon





A Place for Passionate + Purpose Driven Salon Owners
to Create an Awesome Biz + Brand + Life

Pricing + Brand + Business Fundamentals Workshop