

Daz IntroOther 00:00 into the world of business in the hair, skin, beauty and wellness industries. From business success tips and marketing hacks to industry insights and trends, it's all here. They leave no stone unturned. So get ready to unlock your full potential, evaluate your business, leave behind the limitations and embrace the endless possibilities that lie beyond the mirror. Jodie FieldenHost 00:40 Hello and welcome back everyone. It's great to be here. I'm Jodie Fielden. I'm joined by my work wife, bestie and business partner, Adju Vaga. During these podcasts, we share how you can leverage your passion into profit. Whether you're a budding entrepreneur or a seasoned business owner or someone who's just thinking about starting out, you're in the right place because we've just about done it all and we're here to share with you that you can too, because it's time to believe your business can be everything you ever wanted. Adrienne VargaHost 01:07 Absolutely. And hi everyone and welcome back. It's great to be back for part three of our Candid Conversations. Jodie FieldenHost 01:16 Hi, yeah, look these episodes. We've been taking a bit of a walk down memory lane and Audrey and I shared our personal stories in the last couple of podcasts yes, it was a very, very interesting learning. Adrienne VargaHost 01:32 I think we learned a lot about each other, although we know each other for 14 years, but obviously we didn't spend our childhood together so we became besties in our uh, you know, in our adults life. So it was very interesting to learn a lot about your um, your childhood and also sharing my stories with you yeah, we learned a lot, um, that we didn't know about each other. Jodie FieldenHost 01:59 Some of it was a little bit teary in some places took a couple of goes to get the recordings done. It was all fun and games. Even this morning we've had to stop and start because of technical issues with Jodie driving. Adrienne VargaHost 02:12 It's all good. Luckily we realised right in the beginning, so now we are back on and recording. Daz IntroOther 02:19 So yeah, we didn't miss anything extremely important. Jodie FieldenHost 02:24 All right, why don't we jump straight into it? So today we're going to be just going over our business journey to give you some insights into that. Adrienne VargaHost 02:33 Yes, absolutely, and I think we really should start with you, because you owned the salon first, so I think it's just for the timeline is better. So let's start with really the very basic question you know, like why did you decide to open your own salon? Jodie FieldenHost 02:52 Well, this is the salon that I swore I'd never own. In the podcast I was telling you the story about people asking me if I'd be a hairdresser and own my own salon, like my mum used to. The answer was no, never. So we I was working in asset management with Graham. Graham and I were together and I was working in asset management as a distributions manager and I was miserable. I was taking long lunches. I would go to the gym and get to work a little bit late, leave a little bit early. I was a terrible employee, like I'm just unless you keep me really busy and it's really good money. If I'm busy, then I'm fine. If I'm starting to get bored, then off I go. So I'd been jumping around like every six months changing jobs, and Graham said look, stop. And this is just when the GFC so in the banking world we learn about that. I was actually in one of the meetings when it was first spoken about that. 04:02 The company that was the catalyst that couldn't get refinanced, that's what triggered the GFC and the downfall of everything. And I was in a meeting where we had all the fund managers in there and talking about how we were going to get through it what strategies we were using, how we would speak to our investors about the loss. Because we knew that, because this has happened, everyone started selling shares and panicking. This big panic happened, and so I said to Graeme oh, I don't know if I want to stay here for that long. And Graham said well, you know what, why don't we look at buying a salon? I'm like no, I don't want to own a salon. He goes well, you definitely don't want to work for someone. It doesn't matter how much they pay you. Adrienne VargaHost 05:02 So how did he come up with the idea? Like, why did he

think about the salon? You know, like you were in a completely different field, you know, and salon is very different from what you were doing, like, how did he come up with the idea? Jodie FieldenHost 05:16 how does he come up with any of his hair Bryant ideas? It's just like it just popped into his little round head. Yeah, no, it was out of the blue for me too, because I'd never considered it. I'd always managed salons, but I had no desire to own one and we didn't have any. We didn't have savings because I was, you know, we were spending the money going on holidays, trips, everywhere, we were both in really good jobs, but we hadn't really saved because we'd only been dating and first moved in together and we were living in Manly, so it was expensive, you know, yeah, we had credit cards, fantastic, yeah. 06:01 So, yeah, what was I going to say? So we, um, yeah, he just sat down and he said I'll start looking. So he started looking online and I'm like where do you even start to buy a salon? So we had a look at some brokers and at gumtree, where we found, yeah, um, and, and we went and started looking at lots of different salons, but they were all around the eastern suburbs of Sydney, mostly because we didn't want to go out west or be in the CBD, and all the salons were really expensive. Like, there was a couple for around \$30,000, but the ones that looked, you know, in the ballpark of what we wanted and was in the right demographic, because we had to go through. We went through and we researched all the different demographics too to see about. You know, like who our clientele would be and you know, can they afford us? You know. Adrienne VargaHost 07:08 Yeah, yeah, yeah. So then you ended up in a suburb called Marubra, which was a little bit different from Manly. Manly is all posh, posh, posh, and that time Marubra still was sort of in a transformation. You know like it was. It was on the cusp. Jodie FieldenHost 07:31 Well, it actually was in Marubra. So this is what I used to tell, what I tell everyone it's actually not Marubra, it's Lerline Bay, which is South Coogee, yes, and actually Lerline Bay, well, lerline Bay, yes, and actually, well, lorlion bay now is where, you know, like it's a very affluent area. Um, so, you know, there's some big names that live next door, but, um, yeah, so when we first got it though, it was in that transition period and we paid, you know, eighty thousand dollars, but we didn't have eighty thousand dollars. Adrienne VargaHost 08:05 So so how did you manage to do it? Because that's going to be very interesting for for many, uh people who are thinking purchasing the salon but they don't have the startup money for. So what was your creativity around getting that money? Jodie FieldenHost 08:21 um, I always have a way. If I really want something, I'm going to find a way to get it, um, especially if graham's by my side. Between the two of us, we're pretty. We've got a fair bit of strategy going on there. But so we started looking at options and we looked at um finance through banks. We looked at like finances through brokers. Um, literally all we had was a credit card, a fifteen thousand dollar credit card that had five thousand left on it. 08:51 That's all we had um and so, uh, I went, we found this salon and we she was open to vendor finance and that was the first time we'd ever heard of vendor finance and we're like, oh, what's that? And um, and so we ended up um coming to an agreement of um. She wanted a lot more than what we paid, but we ended up settling on the 80 um with the vendor finance and so we came to the agreement of the amount. And then I went to my family and um I had a half sister at the time that um were really close with and they had their own business and they had some money, and so they lent us \$10,000 for us to use as a deposit. 09:54 So we drew up a contract with them about repayment and interest for borrowing that \$10,000. And then we had the vendor finance agreement with Gloria. So we struggled to pull it together and the day we opened the salon and I had inherited, I think, 13 staff member at that time plus two rented chairs yeah, it was tough and we actually had to sit down and work out what we call a feasibility study so that's where we look at the numbers that the business is doing. 10:41 How much can it make each week?

How much is the break-even budget? We didn't call it a break-even budget back then. It was just like what's the sell-on budget? Okay, I don't need to take a wage out of it. Um, we've got to make sure that we can pay the staff, pay the loans and everything like the insurances that go with it. Um, yeah, everything that goes with it. We had to put down on a piece of paper and look at okay, how are we going to make that much money? And I had spent before I even bought the salon. I? Um went in as a undercover client first. 11:21 I didn't know that I was going in. 11:24 I went in to watch all the stuff and to see how they performed and feel the vibe and the energy in the salon and the kind of clients you know. 11:35 And then, um, I may? I made sure that the salon owner gave me, like all her financials, for I wanted the last. I think it was six or 12 weeks I wanted to look at mostly. I didn't really care about the years before because the years before mean nothing. So I had a look at those, you know, six to 12 weeks and checking that, okay, the money that was coming in matched the budget that we had calculated for ourselves that it would be, and plus a bit extra to give ourselves, you know, a bit of leeway to make sure that we weren't underestimating. And then I went into she hadn't told the staff that she was selling. So I said, well, as part of the agreement, actually before we settled, I said, okay, well, I want to work for you for like three weeks and I want to do the till with you at the end of each day so I can see how much I don't. 12:43 I'm sorry, but I don't trust anyone about you telling me what the numbers are. I want to see them for myself and I want to do it over three weeks so that I could see, because there's usually up and down weeks. I wanted to see some sort of consistency and I wanted to see how the team all worked together, whether they all got along really well and whether they would I could get along with them as well. So Gloria brought me in and I think she said I was going to be the new salon manager because I didn't want them like, because I was going to be asking questions and looking at things and watching people. I didn't want them to, like, start resenting me. If I came in, as you know, just another employee that you know, it would have been off. So yeah, that's, and we did that before we settled on the actual sale. But yeah, we went through a big process to make sure that we were getting what we were paying for, because it was a lot of money. Like \$80,000 now is a lot. 13:53 Yeah \$80,000 back in. You know, 20 years ago was what's not. When was it? Oh that was 2008. Yeah, it was 2008, so almost 20. 20 years ago there was a lot of money so everyone was telling my auntie and everyone was saying don't do this. It's ridiculous. Why are you leaving such good paying jobs? Um, but I was miserable in the paying jobs and I wasn't staying there longer than six months, so that wasn't yeah, yeah, yeah, absolutely, absolutely. Adrienne VargaHost 14:27 What I love about your story is that you know the practicality. You went through to make sure you know like is this something which is right for you and good for you? Because many times people they don't know how to buy into a business and if you don't know how to do it, it actually can be extremely dangerous. And I think the best way, the way you decided to be a part of it for three weeks before you made the final decision I think it's very, very important and I think it was really smart. So you got the business, you took over the business eventually. So when did your, when did you drop your miserable, miserable, miserable, miserable? Jodie FieldenHost 15:19 say it again when did I stop being miserable? Yes, audrey's hungry. She's coming through. I love it when she does that. I always um keep it going did? Adrienne VargaHost 15:39 things started to change like? Did you start to feel better? Was it the right decision? I started? Jodie FieldenHost 15:46 feeling better the moment that we decided to do it, because I am well, it's because I like a new, shiny thing. 15:53 That's why I was changing jobs so often is because if there's something new, then I'll jump into it feet first and run with it. If I've decided that, all right, I'm going to do something. So yeah it was. I never became upset. Owning the salon and wanting to get rid of it in that

way that I did with other jobs is one I'm good at what I do. Two, I'm working for myself, so I'm motivated because the money is there. Three, I didn't have anyone else telling me what to do. And four, I was always busy, so I didn't have time to be bored. Adrienne VargaHost 16:39 So you took over the salon. You know like you had a quiet bit of an idea. You know like, if you're like, you had a quiet bit of an idea. You know like, if you're going to have a little bit of a money left, you were okay in the beginning not to have a wage for yourself. But obviously you know like we are not starting or running the business. Can I just tell you something about when we started. Jodie FieldenHost 16:58 So I had the five grand in a credit card. That's what I used to do refurb on because I hated, I really disliked the way it looked. So we went to um junk sales and secondhand places and looked online for new chairs and mirrors, like we did everything that we wanted to do um on a really tight budget. I wish I had when I'll talk about why I wish I hadn't have done that now. Um, when you're when we a bit later. But I only had for the um first day that I opened the salon. I had it on. 17:37 The first day was a Monday. We didn't have a float. I didn't have enough money to put in a float. So I had to go to Graham's change tin that he used to have and I rated that we only had like one and two dollar coins and silver. The rest of it I was just hoping gosh, I hope someone brings in a note or doesn't ask me for change yet because I don't have it. So I thought, oh well, I think someone did come in with \$100 and I had to run next door to the chicken shop. The chicken shop were the best because they used to have all the small change. So we'd go and change out all our big notes for their little notes. But yeah, we didn't even have a float on the day we opened. Adrienne VargaHost 18:30 Yeah, so that's very interesting. So how long it took for you to start to make money for yourself out from this salon. Jodie FieldenHost 18:42 Um. So I started taking I think it was only a few weeks because I'd done all my due diligence, I knew how much it was going to make but I didn't know, you know, if staff would leave or clients would leave because we had that really big. There's a nervous transition period and it's always bumpy and it's always nerve-wracking, because when you purchase a business like a salon or something that a majority of it is what we call goodwill right, it's the tangible things are just the fixtures and fittings. Everything else fixtures, fittings and stock everything else is goodwill. There's no guarantee, there's no value that you can put on. You know, like it's really hard to value goodwill and it's very volatile. So the things I had to combat was the woman that I bought the salon for from had owned it for 30 years, and then the woman before her had owned it for like 20 years, so it had been there a long time. So I thought, okay, good, it's got that stability. But I had the risk of, like, the staff not liking me. 19:53 The um owner. We had an agreement that she would stay on for three months so that we could do the, she could introduce me to her clients and all that kind of thing and, um, I think it may have been six weeks into it, um, she was really struggling with the whole mental load of getting rid of it. I thought, um, and then, uh, she comes in one day, uh, and things had been off for a little while and then we, she got a phone call and her daughter had consumed bleach. So she left, she went flying out the salon Of course she would, you know, like that's nothing wrong with that, you know 100% back there, but then I gave her a space and she had a couple of weeks off and the little girl ended up being okay, but it was a long recovery. 20:56 And then I think it might have been sort of week two that she was off she called me up and she said, oh, I'm not coming back, I'm leaving. And I'm like, oh, okay, well, all right, I completely understand that. You know you want to be home with your daughter and everything. And so she finished up and then I noticed there was this huge drop. I'm like what's going on? Like, all of a sudden, we were earning, you know, I think it was about \$8,000 a week, and then it dropped down to \$5,000 a week just in that period that she had been there, like not the first couple of weeks, it was from when she'd given me that phone call and it was a very tight community

and that she was well inside of a great community and, um, and I noticed her big paying clients that used to come to her. What anyway? 22:07 I find I hear through the grapevine from some clients that you know would come to the salon out of convenience but didn't particularly like her, who ended up loving me. Oh, she's opened a salon in a garage at home and I'm like, no, she can't. We have a non-compete clause and I had said to them like the original agreement it said 5k's. I said no, I want 10k's, and I told our solicitors to make it a 10k radius. I drove past, I could see, yep, she's got a salon set up there in her garage. I've gone back, I've called our lawyers, I've gone through the contract. They didn't update it to the 10Ks, they left it at five. So I'm like, all right, well, she's within 5Ks. Adrienne VargaHost 22:59 Yeah. Jodie FieldenHost 23:01 She was 100 metres outside of the 5K Wow and she'd open and that's what she'd been doing. That's why she was funny with me as well. But she'd been planning to because she had young children at the time. She had three daughters. She'd been planning to this the whole time because her husband wanted her to get rid of the salon, but she still wanted to. You know, keep making money as well. Yeah, so she had sold me her salon and I thought this wouldn't happen because I was doing vendor finance. She was taking a bigger risk than I was that I just wouldn't be able to pay her anymore. 23:49 I was so dirty bigger risk than I was that I just wouldn't be prepared anymore. I was so dirty, I was furious, like prepared to turn back into the old Jodie, you know like. I would make some phone calls back in the day, but um yeah, there was nothing I could do about it because she was literally I don't. It was like between 50 and 100 metres that she was outside of that 5K. Adrienne VargaHost 24:14 Yeah. Jodie FieldenHost 24:15 And you know, in good faith. So I had to swallow that pill and just get over it and I kept paying. Obviously I had to keep paying, my and the risk is always there. Adrienne VargaHost 24:31 So you know, like we never can really fully predict how the other party is going to behave and unfortunately, many times we can hear you know exactly what you had to go through and really we cannot change the situation, we cannot change the other party, so the only thing is we can make a decision how we're going to move forward. So what was your action plan? After when you, you know, probably you were extremely, extremely angry. Probably you called her, you told her what you actually did. Jodie FieldenHost 25:08 No, I didn't, I didn't call, I was filthy, but I didn't call her um. But I did call her out, like she came in to bring me flowers or something for some reason, like she used to do those things and just say hello and I'm like, oh, so how's the salon? 25:27 at home going Gloria and she just kind of stopped and looked at me. I went I hope you know good luck. It would have been nice to know, um, but yeah, so all I could do was the only strategy that I knew how to do was to work harder and in as much as hire ticket clients to make up for the ones. We had to find some clients as well to replace them. So back then the only option was like newspaper ads, gumtree or a letterbox drop. 26:08 So we had a promotion um put together and we, graham and I, walked the streets and then I hired some letterbox droppers to go and do the letterbox drops, and then we had to go around and make sure that they hadn't just binned our flyers. Yeah, so I couldn't trust them either. So it was, and and we did, we. We ended up being able to replace those clients with more in line with my style of the salon and we've done those renovations. So it had a new look and a new feel and I was training the girls in how to upsell clients and not just come in and say oh are you having the same as last week or, you know, the same colour as last time. 26:52 So I taught them, I gave them the skills to be able to upsell and provide a better service for their clients. And yeah, so we just had to be smart about being able to. I was never brave enough to play with my pricing in as far as I used to put it up, I think a little bit later on, but at the beginning I was too scared to move my prices, especially for the original clients that have been there for donkey's years, and because she'd taken the high paying ones, you know,

just the everyone else. So I had to be, um, really uh, careful of, you know, going too far.

Adrienne VargaHost 27:37 So, yeah, the new, the new clients would have one price list and the old clients would have another yeah, and that happens many times, even when we start to work with salon owners, when the price is so far off. Then we do that, you know like we do the transition time. But what I really wanted to ask is about your staff, because you started with like 13 or 15 staff. So once you took over, it's actually quite natural that you sometimes, as you mentioned, you know like they won't stay or not many is going to stay with the business. So how did it go for you?

Jodie FieldenHost 28:20 We had a big transition period as well, but also back then we had the skills shortage in the industry, so we had a lot of. She had a lot of backpackers. So that's how I used to find my staff as well the Irish backpackers and, um, english, so I kept a couple of. I ended up losing probably three of the senior stylists that had been with her for so long. They just didn't. You know, we just had different work ethics and my management style was you know, I'd like you to do it my way, please. So, yeah, there was a few that ended up getting let go and there was a few that just didn't like me and left. So, yeah, it was. At first it was really scary, but after the first one or two, and then I always I remembered what my old boss used to tell me when I was an apprentice um, that everyone's replaceable. No, one is irreplaceable.

29:26 You may be really valuable and we'll try and keep you, but we you can be replaced. And I saw this when, um, uh, I was in the end of my apprenticeship and one of their managers had been with them for 10 years. She'd done her apprenticeship with them and stayed on and became a manager and um, so we're like they will never get rid of her. You know like that she can do no wrong, um. And then one day she was just gone. They had a disagreement. We never knew what it was about, um, but they had let her go.

30:06 And then they came into the meeting and said and that was when they said just so you know, no one's irreplaceable you know, she used to make them the most money, she used to manage all of us and train us and they still let her go and that was the thing that we can replace you, yeah yes, absolutely, and I think your example it.

Adrienne VargaHost 30:31 It's not unique, unfortunately. In a way, when someone is taking over a business and the person who owned the business before owned the business for such a long time, with long term employees, the resistance is going to be there. So people you know very, very few people going to be open minded or welcoming a new person, a completely new personality, and, yeah, it's many times happens that people are losing. Sometimes people are losing the complete stuff in six months. So this is something again, when you are not starting a business from scratch, when you are actually taking over a business, you need to be aware of that. More than likely it's going to happen.

31:19 Might one or two or three going to stay with you because you click, or maybe they welcome the change, but many times, even if they don't follow the previous owner, they just don't want to deal with a new person or a new personality. And it's very strange because if they leave the business and then they go somewhere else to find a job, then they have to get familiar with the unfamiliar again and then they have to, you know, deal with a new personality, a new business, learning everything from scratch. So it is just a resistance from people, which can happen and unfortunately it does happen quite a lot of times. When someone takes over a business, you know, six months in or a year in, the stuff is changing, is not going to be the same stuff and your clients going to transition also, some of them. They're going to stay with you, with you because they loyal to the business, not to the people. But you know like it's going to be a whole transition going to happen in 12 months time um, what about?

Jodie FieldenHost 32:36 so it was really challenging. But once you get used to that feeling of having them left and it's you know, you get that sick feeling like oh, I did everything right, you know.

Adrienne VargaHost 32:54 Like um, but then sometimes you also go oh, what a relief

yeah, and and honestly, you know like it just depends how far you are in a business. You know like then after a while you will realize it's a cycle, it's a life cycle in business and sometimes even the people you told they never going to leave, they just want to change their life and they leave. And it hurts in the beginning and later on you can just understand this is part of the business, it. It can be very, very sad when someone you love you know like they don't want to be part of your business anymore or they want something else for themselves.

33:34 Obviously, you know like everyone has their free will, but it does happen and in the beginning it hurts much more than you know three years, five years, 10 years into business, because then your understanding is very, very different and also you learn about emotions and business. You know business shouldn't be an emotional journey. Business is business. So this is when you learn to separate things and see things from. You know 70 feet up, you know. So I think it's a very, very important thing. So, um, let me ask you it's I think it's a going to be a very interesting question for for people. So what was the best decision you made as a salon owner? Jodie FieldenHost 34:26 gosh, there's a big, long pause because there was um. I guess the best decision was um buying the salon. Um, for me there were. It was such a up and down and so many big life events that you know there wasn't um something stand out. I think probably one one of the best decisions I made was when I decided, okay, I'm going to sell it and I'm going to sell it to Adriana. My best decision was when I was like, okay, I'm going to let it go. Adrienne VargaHost 35:08 All right, I think maybe we'll talk about it a little bit later. Yeah, so the next question is you know like, uh, can you describe some of the biggest challenges you faced as a salon owner? We already talked a couple of things, but is there anything else you can remember during your salon years salon owner years when you had really big challenges and you didn't know what to do about it, but then you overcome those challenges. Jodie FieldenHost 35:36 The worst thing that happened was and one of the biggest things that I wish I had have done was find help when I needed it, and I didn't prepare for when I was going off to have the kids. I just thought, oh well, the girls know how to work there without me. You know, I've left them alone, they know what to do, I've got the policies and procedures there. A bit of common sense. I'm upstairs, I can make a phone call. That was probably one of the big mistakes I made, because what ended up happening is the unforeseen. So I told you about having the salon when I had Harper. 36:24 Yeah, two days after I had had Harper, the girl that I had to basically manage for me snapped her Achilles tendon, so she was off work. So it means I was not on the floor. She wasn't on the floor, so you know I had to then come back to work with her. It must have been like five. Harper would have been maybe two weeks old. 36:55 Two days is a bit dramatic. I think it was like two weeks, because Graham he'd had a week off, so it must have been the second week that this happened, and so she couldn't come back to work for six or eight weeks. So I had to work out how I was going to juggle a newborn baby and being back on the floor with no help. So I had to enlist you know, joe the florist, or clients. Yeah, so that was the biggest. 37:27 One of the biggest mistakes was not getting my ducks in a row and realizing that I'm going to have to get someone to help to do this properly, because the repercussions of me not doing it properly and not having someone come in that knows what they're doing and to manage it properly, because I didn't want to pay the money, I didn't want to, you know I was going to be off the floor. I don't want to lose even more money by paying someone else to do the job, so I'll just, you know, we'll just get by. I should have paid the money to have to train someone to do it properly and give them a good wage so that they didn't they wouldn't want to leave to go somewhere else. Adrienne VargaHost 38:12 Yeah, and I think that's sort of answering to my next and last question. What I wanted to ask is what was the biggest mistake you made as a salon owner? And it sounds like it, you know, like that was something that you realised

that not asking for the right help in the right time and holding on to money instead of investing money and understanding that that would be a way to grow your salon. Jodie FieldenHost 38:45 I think that's something big in this industry, especially the hair and beauty industry, maybe a bit in the wellness, I don't know so much. But people don't want to pay money into things that they don't see the value in at the time, like no, that's not what I mean. They just don't want to pay the money. They want a free solution or they think that, oh, we can just get by because the staff know what to do. You know, there's it's the same as we see. People don't want to invest, and this is one of the things that I was mentioning earlier is that, instead of investing in training a new manager or investing in maybe furthering my like, business skills, I chose to invest in making the salon look pretty and giving it a new sign and getting a computer in. You know, like so that all that money that I could have used as my safety net, I just spent it on all these things to make it look pretty. And that's probably another big thing is I wish I hadn't have done that. I would have been better off. 40:03 The salon was making money ugly, you know, like, yeah, I didn't need to spend my, my safety net, just to make it look pretty, because I wanted it to look pretty, you know, or I wanted to like, I didn't change the name. I was smart enough not to change the name in the beginning because it was a standing name. As ugly as the name was, a nice name doesn't bring in clients, you know, like you might think it does, because it makes you feel good and it reflects you and everything, but it's not about you, the clients are coming with the ugly name. 40:36 So, yeah, it was spending money in the wrong place, which this is. I think the big difference between you and I is that you don't do that. So enough about me, let's go. So this, my end of the story, is actually Adriana's beginning of the story, because once I decided I wanted out, um, how did you end up with the salon that no one ever wanted? Adrienne VargaHost 41:01 well, the way I ended up with the salon is really you had this idea in your head that you wanted to sell your salon and I would be the best person to take over the salon from you. I ended up renting a chair in your salon. This is how we met and we were talking about that in the last episodes. But yeah, I was renting a chair very happily. You know, I was making money and I was basically very oblivious about certain things which were, you know, like, if I wanted to go for a holiday, you know like, I didn't make any money. I had to use my savings and then if I was sick, I had to think twice, because who is going to look after my clients? But at that stage I was really happy. I was making really good money. I was young, I basically never been sick or whatever and for me, you asking me to take away the salon. I was just like. Jodie FieldenHost 42:01 I know I don't want the responsibility you were actually a business owner before you bought the salon, though, like you actually got your first salon before you came to me because that little story I don't know that we've covered that too much in how you got because you were a rented chair. So to become a rented chair, how did you first get your clients? Because most people really struggle with that. Adrienne VargaHost 42:27 Yeah, for me it was a very unfortunate and very strange situation because the salon where I was working they shut down and they gave us two weeks notice and we didn't even know. You know, like they're going to shut down and I never thought of renting a chair here in Australia and the sad part was that they were sponsoring me and they didn't care about my sponsorship, so they just shut the salon and I was on the street. So this is when I went to look around to rent a chair, and that was a long time ago. I don't know how many years ago. I think it was around 2010 or 2009 something like that you came to us. Jodie FieldenHost 43:18 You came to my salon when you became the renter chair, didn't you? Daz IntroOther 43:22 so that was into. Jodie FieldenHost 43:23 Yeah, so that was in 2010. So you kind of become a sole trader without even wanting to become a sole trader. Adrienne VargaHost 43:32 Yes, absolutely so. And the funny thing was, you know like I was walking around

suburb to suburb to try to find a salon who would rent a chair and no one wanted to rent a chair for me. So that was really difficult. And then I ended up putting up an advertisement to Gumtree and I told to the universe, you know like if I meant to rent a chair, please drive me to the right person, to the right salon. And then you know, a couple of minutes later I've got an answer which I thought it was you. And you know, a couple of minutes later I've got an answer which I thought it was you, but it was Graham who was inviting me to come to the salon. 44:18 And this is how my journey with you started. You know like, I went to the salon, we clicked right away and then basically we decided then and there to rent a chair back to the clients, a chair back to the clients. So obviously, you know like, I did not have my own clients, but because the salon did shut down, you know clients find find us. You know like it was not stealing, uh, clients from the salon owner or whatever. We actually just had all our clients without hairdressers and the hairdressers without clients and basically I brought over just under 200 clients with me. So I started from a really good position, quite busy with clients. Can I ask you a question? Jodie FieldenHost 45:04 did you think of yourself as a business owner at this stage, or did you think of yourself as a hairdresser who has your own clients? Adrienne VargaHost 45:12 yeah, a hairdresser who has her own clients. Yeah, I didn't think of as a business owner whatsoever. I was just someone you know like who is a hairdresser and I just have. I'm just looking after my clients, I'm just making my money. But yeah, I never thought about it as a business. Jodie FieldenHost 45:30 Yeah, yeah, and with um, the and I think this is where a lot of salon owners come from as well is that they have built up maybe a little bit of their own clientele and they go out to start for themselves. So did you used to? How did? Did you have systems that you would make up for your ordering and stuff, or did it just kind of awful? How did you learn? How did you transition from you know from scratch? Because that's something that I don't think we've really spoken about is how someone can transition from just you know hairdressing to all of a sudden having to be able to have stock and take appointments and you know. Adrienne VargaHost 46:16 Yeah. So for me it was a situation when I had to make it to work for myself. I'm quite organized and systemized, so I knew that basically to be able to make the most out of everything that I had, I needed to keep a stock. I needed to make sure you know like I always had retail to recommend to my clients, I always could do treatment. So for me I did put myself behind and the clients up front and, although I didn't think about it right then and right yeah, right then as a business, but what I was keeping front of my head is to pleasing my clients and keeping them because I could not afford to lose them. Also, because I used to work in many salons before and I was helping the salon owners, you know like, with ordering stock and you know booking appointments, you know calling for feedback and all those things. I just copied the same. I basically just copied the same thing, but I did not have that straight knowledge. What obviously later on I gained? I was just doing what I was thinking it was the best. Jodie FieldenHost 47:45 Yeah, okay, cool. We hadn't really spoken about that before before, and I know that there's a lot of people out there that start off that way. So you're lucky that you're as organised as you are, why we work so well together. Because I'm not and Adriana is. Even this morning, adriana's like right, we've got our to-do list. I'm like what's on your list? She holds up this list in red marker of all the things we have to do today. All right, so how did so? So what convinced you to finally? So, when I was pushing you to take the salon because we've already spoken about the backwards and forwards and all the rest of it so what cemented the decision for you to go? Yeah, all right, I'll do it. Adrienne VargaHost 48:34 Well, with all honesty, probably that was my best option out of all the options. You know, like, if I didn't make a decision to take the salon over, then all the other options were really bad. So, being smart, you know like, I thought well, these are the options, and I basically just did

run through on paper and you know in my mind how am I going to end up if I choose this or that and, honestly, the best decision was to taking over the salon because I didn't want to go anywhere else, anywhere else to rent a chair. And basically, at the end of the day, you gave me the ultimatum, you know like you either going to take over or I going to shut down the salon. The ultimatum. You know, like you either going to take over or I going to shut down the salon. Jodie FieldenHost 49:26 And first I told you just shut it down. Adrienne VargaHost 49:27 And then I that's fine, because no one backs baby into a corner uh yeah, and then and then I had a good sleep and by that time I moved upstairs. So I lived upstairs in the unit above the salon and I was thinking about so if you shut it down, then you know like I need to find a new place to rent a chair, I need to take my clients to a new environment, and then I more than likely need to move and I had my puppy and it was just so easy, everything was so easy and basically I just thought, well, out of all the options that I have, probably it's better if I take over, I stay on, I live upstairs. I knew everything and everyone in the salon because I used to help you to manage the salon. So I knew the stuff pretty much. I knew what I would get into it. 50:27 It was just basically I did not want to have the responsibility of running a business for myself, which I didn't have problem to help you to manage because I didn't have that emotional attachment with money. So the money part was what was worrying me, like can I pay everything? And also I told you I don't have the money to purchase the business. So you wanted me to purchase the business. Then I told to you how are we going to do that? Because I don't have any money to start or to pay the business in one go. Jodie FieldenHost 51:05 And that's where Jodie's little thing is. That's okay, I have a solution for that too. We'll do vendor finance you know I trust you. 51:14 And so this is what and it's funny because I think when Audrey sold it, it ended up being a very similar situation, but not just in how they afforded it and stuff. I'll let Audrey tell that part of the story. But I think an important conversation that you and I had around this and it comes back to when you were saying, like you couldn't afford to go, like if you went on holidays you'd have to, you know, save up holidays you'd have to, you know, save up, you'd have to go without money and stuff. Um, and so you couldn't take holidays whenever you wanted and things. 51:49 So you and I had a conversation around okay, so what are you going to use for retirement? Like, what are you going to do? Because you were in your 40s at that stage too, yeah, I think. Um and my, okay, so 25 years until retirement, what's your plan? And Adriana goes well, you know I don't really have one and I said, well, everyone's got to have a plan because you need to. Back then it was like you need to have at least a million dollars in the bank to be able to retire if you want to get, you know, \$35,000 a year for your retirement, and so that was the thing that really got Adriana over the line, because you were so happy doing what you were doing. You were really happy, just you had the freedom and no stress of everything. Adrienne VargaHost 52:41 Yeah, yeah, yeah, you, you had the freedom and no stress of everything. Yeah, yeah, yeah, yeah, and and and that was a very, very, um, very good question because, um, honestly, in my mind, I was all, I was still in my 20s, you know like, uh, although you know, my biological age was, you know, 40 or over 40. But my mind, and because we went through so many things changing countries and everything like the timeline somehow is shifted for me because I had to restart my life again. So in my mind, I still weren't there when I could have the freedom to think about, you know, retirement and you know, like, what am I going to do regarding the retirement? But that was something that really made me to think also, so that was a really smart move from you. Jodie FieldenHost 53:36 I know how to get what I want. Yeah, all right. Yeah, all right. So as so, once you've got the salon, what I know, this already, and I'm just so jealous. Adrienne VargaHost 53:52 What was the best decision you made? Yeah, so, um, a couple of months, and I think it was

around four or five months, and I said, well, I need help because I'm over 40s, I don't have the time to figure this out and I reached out to my first business coach and that was the best decision I ever made, because we turned around everything in 18 months and you know from the position where I was so confused and not really knowing how to grow the business, I just came out on the other side when I was so confident yes, my team has changed. You know, like, when I started to implement changes, you know, like most of the team members, they left and then I attracted new ones and then, when we decided to change pricing and the prices, I lost a big chunk of the clients because I went. Probably I did a very risky move because I wiped off the old price and I started with a fresh and new price, because the situation, what I find myself in. We had such a mixture of clients. I had my rent-a-chair clients who I inherited from a salon where they were high ticket clients, and then the salon had the old, old clients who didn't pay the right price and then jody had a better price for the newer clients. But it was all over the place. 55:30 And I remember when we started to work on my pricing with my business mentor and I printed out the prices it was like 460 something different prices and she looked at it and she said to me, like what the hell is this, audrey? And I said I don't know. It is probably, you know, like 40 years worth of pricing in one system and I don't know who we charge, what we charge. And this is when we sort of started to, you know, like started to think about what would be the best, and it was a couple of options, but I just thought, well, I just want to start fresh and I know a big chunk of our clientele are already paying the higher price. So we did some calculations and we said, well, if we lose 30 percent, we're still OK, and this is what we did. 56:25 So I made a decision and I wanted to wait. So that was in May and I wanted to wait to change the prices in the beginning of the next financial year, which is July. And this is when my my business mentor asked a really relevant and a really good question you know, like why 1st of July? Why not now? What is the difference going to be? And I couldn't come up with the answer. So next day I went to the salon, I changed the pricing, I changed the menu and we started to get from the new price. And did I lose clients? Over time? Probably I lost half of the clients, but then new clients came in and then I rebranded the salon. So I had a new name and I advertised ourselves as a color specialist salon. Jodie FieldenHost 57:19 Yeah, oh, that's such a good story and I'm so glad that you did that. Um, it was something that I was never brave enough to do and the the fact that you had a mentor, um, you knew to go and find someone. I was, you know, too arrogant and one of those salon owners that, like I don't, I know what I'm doing. I've been hairdressing for 30 years, you know. Daz IntroOther 57:42 I know what I'm doing in a hairdressing salon. Jodie FieldenHost 57:44 So, yeah, that's. That just shows the difference between the two mindsets, I think, which is really cool, all right, so biggest challenges what? What were your? What were your top three challenges that you can? Adrienne VargaHost 58:00 remember, oh, I was already thinking like to come up with one. Jodie FieldenHost 58:05 All right, give us one yeah. Adrienne VargaHost 58:09 So biggest challenge is probably it was to find the right team members. I think that was really really difficult, really difficult. And to become, to learn to become the best leader for them, because I was missing that part. I was just like anyone else. You know like I wanted to give them the freedom I didn't. I, you know like I wanted to become their friend, but I learned later on. You know like, yes, you can be friendly and you want to be friendly and you want to be. You know like motivating and you know understanding, but there is a fine line. So your responsibility was to create a working environment, help them to grow, and they can come to you when they need help or advice, but you should not be the best friend for them. So I had to learn that. So that was a quite big challenge for me to to grow as a manager. And confrontation you know like when I didn't like something, you know like how can I address that in a way that it's not going

to end up someone slamming the door and never coming back to my business, so but still addressing the problem and finding a solution together. So it's all. All it didn't happen overnight. It was a lot of, lots of learning and people understanding, understanding personalities and everything else. So that was quite a big challenge. 59:52 Also, one of the biggest challenge was to come up, come up with the money to, to be able to afford my first business mentor, because I just took over the business from you and obviously I was paying out my vendor loan. But then, you know like, I had to pay my team, I had to have money for stock. I have to pay, you know, like, all the bills and everything else, and suddenly my wages started to go down for myself and I ended up in a position when I was paying more for my team members and I was working far more hours than I used to work. So it was very, very challenging. But I knew that it would take for me a lot of stress and time to figure this out on my own. And when I reached out to my business mentor, I didn't even know if I can afford them, like, I just wanted to know how much a person would charge to help me to get out from this situation. And it was expensive, you know, like for the money that I had of my labor right then and you know right then to be able to invest. But the promise, what I've got is that if I do everything what they ask, in three months time you know like I will see the growth, and that was true. So, yes, I had some money left on my credit card and also I just reduced my wage even further, and even it was a jury what I sold so I could get a little bit of money. 01:01:43 But it wasn't easy. It definitely wasn't easy. But if you would ask me if I would do it again, yes, because I believe the reason I'm here today it is because I made that decision and it was a tough decision. But without that I was probably I would probably feel, you know, floating around and you know, trying to figure things out. It's so much more easier when you go to someone else who already knows everything what you want to know and they just give you the information. So I was a really good student because you know, like, when my business mentor told me you know like you need to jump now, I asked you know like, hi, and I did everything. Jodie FieldenHost 01:02:33 That's the difference. Take your sock off your microphone because your microphone's gone. Funny, just doing a little bit of a sound check here, that's better. Um, yeah, look, the thing is that people don't realize that you do have to? Um, spend money to make money um and sometimes you have to sacrifice you, and I even sacrifice now. Adrienne VargaHost 01:02:59 You know like when we um whenever we decide to do something new. Jodie FieldenHost 01:03:01 You know, like whenever we decide to do something new, you know we have to invest the money back in to be able to do it, or have the person come and do it, teach us how to do it so that we're able to do what we need to do. And you know it takes time and you have to put in the effort. You know like it's very rare that you know magic dust sprinkles on someone's head and they all of a sudden poof into a millionaire. You know, um, but it's you have to spend the money and you have. Unfortunately, the reality for most people is that you have to sacrifice to get what you want. All right, so, moving on from that, as soon as we know that's the best decision you made was making smart investments, which is where, in the beginning, whereas I made unneeded investments in making something pretty instead of investing in, you know someone to give me some know-how. 01:04:04 What was the biggest mistake you made? Adrienne VargaHost 01:04:11 Employing a girl because I really needed someone and I couldn't find anyone and I knew from the beginning that this girl is not going to be right for me, but I was so miserable and I needed so much this person, so that was a huge mistake In the beginning. It was working and they were a couple of signs which I just brushed off my shoulder, like when I asked her you know like. So in the beginning, you know like, how do you like the salon? You know like, is there anything I can do for you? And she said no, no, no, you are fine, you are listening, because she gave me a couple of suggestions and I considered it and it was a good idea, so

I was implementing things. It was. 01:05:07 She was specifically a person who should not work for anyone, because she wanted everything in my salon her way and when I started to resist it because it didn't make sense, it didn't make sense, it didn't work out. This is when we started to run into really big problems and also not knowing the the employment rules and regulations deep enough. So she knew it better. And not employing a HR person for contracts so she, she could take me on a ride, yeah, and unfortunately, we ended up parting, not in a good way. I was ready to let her go that morning and she came and she gave me her resignation and then the whole lot started to go really bad because she was demanding money and all those things. We ended up in fair work and we went through mediation and basically we just we ended up like what she wanted. She didn't get it. Even the mediator was telling to us look, I know what's going on in here. So basically I ended up offering for her one week worth of wage just to make her happy. She wanted much, much more money and we did part it. 01:06:27 But this is when I decided all right, from now on I employ a HR person, because I don't know. It was so stressful and, yeah, I had lots of sleepless nights and I just kept getting emails after emails after emails from this person demanding more and more and more. And although I knew that I didn't make a mistake, but going through this process it was really terrible, because I know that I'm that kind of person that I would like, I'm honest and I would not take money away from other people, but I just like, I just couldn't believe it. It can happen. So that was a really big learning, and also listening to myself not to employ someone just because I really needed someone and I already knew she would be. She's not going to be the best person for me, so that was a huge mistake. Jodie FieldenHost 01:07:27 Yeah, well it's. Yeah, staff are tough and there's especially when you come across ones like that it doesn't matter how, I think, it doesn't matter how good you are as an employer you're going to come across those ones that are going to put you through the wringer and make you think why did I do this? Adrienne VargaHost 01:07:50 Yeah, it shook me, it was terrible. It was really really terrible, because I'm just like how can someone, you know, be like this? I couldn't understand. But then you know, like it create my salon, you know like, then I always had a hijack person who, through all my contracts, she explained the contracts, policies, everything before I employed or when I employed team members. So you know, that was that was it. Jodie FieldenHost 01:08:21 Yeah well, you'd learn something out of it. You got something out of something, absolutely, absolutely. It's only ever a mistake if you don't learn something from it, right? Adrienne VargaHost 01:08:34 yeah, yeah, yeah, yeah, absolutely, absolutely. And now you know, like, based on that experience, I really can see when you know when someone's team member, or even you know, like, when we employ someone and it just doesn't go to the right way, you just really need to make a decision sooner rather than later. That person is not right. Jodie FieldenHost 01:09:02 Audrey's choking there for a second. All right, well, that brings us to our time for today. So we will be back in a fortnight or a week, I'm not sure, for our next podcast and we might just sort of we might keep talking about some of the times that we've had some different employees or clients. 01:09:30 We might you know the ones that have given us the most trouble and what we've learnt from it. That's always a good one, but we have our upcoming boot camp coming up. If you'd like some information about that, we're going to. Audrey's going to be teaching all those foundations that she was talking about when she turned the salon around in the 18 months. All those kind of foundations about pricing, how to increase your prices, how to increase your prices, how to calculate your prices, how to have the right value for the clients that you want to attract and which clients you want to attract. So it'll be. It's a um, a live record. There's a recording of a live. We did um. That would. That can get you started. Um. Adri, our handles for instagram and

facebook, facebook and tiktok. Adrienne VargaHost 01:10:38 It's a hot focus gdt. Very simple and if you need any further information, we're going to put the link down. So in the description box you will find the link to our 12 weeks boot camp and also to our instagram, facebook and tiktok accounts and we, um, I was like I needed to remember to tell you. Jodie FieldenHost 01:11:02 Then I've had a mental blank. Sorry, I'll remember in the next one, okay, well, that's us for now. If you want to know any more, you can send us a DM as well. That's right, because we have a Facebook group. So we would love to if you would like to join the group, because we go live in there, um, each week on a wednesday. Is it adri? Yeah, we go, and um adri answers the two of us, but most questions will be for adri. We'll answer any questions that you have. Or if you're having any challenges or you just want um someone to with you, know, like, pop in there, send us a DM and we'll give you a link and we'll see you next week.