Speaker 2: 0:58
Hello and welcome everyone. It's great to be back. I'm Jodie Fielden and I'm here with my work wife, bestie and business partner, adri Vaga. During these podcasts, we're here to share how you can leverage your passion into profit. Whether you're a budding entrepreneur, a seasoned salon 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 salon can be everything you ever wanted.

Speaker 3: 1:27
Yes, absolutely. And hi everyone and welcome back. Oh, I must say it has been a massive two weeks since our last episode and we have had quite a few salon owners reaching out to ask us. So we thought we'd focus on answering those questions. So we thought we'd focus on answering those questions.

Speaker 2: 1:45
Yeah, that brings us to the topic of. The major topic that they've been asking about is how to find staff and offer wage structures to keep them, so we're going to be talking today about how to create a fair and effective profit sharing system that motivates your salon your team, your salon team can't even speak properly today while still ensuring our business has sustainable growth.

Speaker 3: 2:13
Yes, absolutely. And on top of that, we are going to break down why profit sharing works and the essential foundations you need in place before implementing it, and the different methods to structure rewards.

Speaker 2: 2:31
Yeah, I think that's important when we want to talk about how to align team performances with business profitability. And you know we need to use those key benchmarks. Like you know, use sales targets and rebooking rates and performance. Um, kpis, but it's um. We need to sort of make sure that we don't use the over, um, overwhelming language of all those things.

Speaker 3: 2:57
I think sometimes too yes, and also by the end of this podcast podcast what we want for you to that you will have a clear understanding of how to increase revenue, boost your team engagement and also create a thriving and high performing salon all right.

Speaker 2: 3:15

Well, let's just jump straight into it, adri. So we're going to start with why. Why should we be profit sharing?

Speaker 3: 3:24
all right. So there is a couple of reasons why you want to enter into. You know profit sharing or you know implement profit sharing in your business. The first thing is basically motivation. It will motivate your team members and it will motivate them to actively contribute to a business success. Motivate them to actively contribute to a business success. Why is it important? Because if they feel motivated by and the thing is not everyone is motivated by money, so when we map out reward system, we actually ask for input from our team members what motivates you, and you might going to want to take it into consideration. Also, it does and encourages your team to work like, to create a teamwork kind of environment, and also it it leads to accountability. Also it creates productivity, it brings loyalty and also your staff retention is going to be far, far better. And also it helps your team members think like business owners rather than employees what?

Speaker 2: 4:48
um just clarify that sort of last point. Why should we? Um be helping our team members think like business owners instead of uh employees?

Speaker 3: 4:54
yeah. So I think it's just a mindset shift because, uh, many times uh, team members, they work for a salon and they know this is my capacity. Whatever I put any effort in there, I'm never going to earn any more money. So what I will do, I'm just going to do whatever I think is right for the business. But you know like this is when it happens. You know you shut the salon at 5 o'clock, Someone walks in at 4.30 for a 45 minutes cut and blow dry and your team member more than likely going to say we are closing very soon. So that's one thing. When we introduce targets, it's actually sort of disappears because your team member is motivated, because they know that 45 minutes whatever your salon is charging for that 45 minutes is going to add into her or his target.

Speaker 2: 5:50
Yeah, I think that's kind of something that we need to have, like clear systems around or clear understandings for the team from the salon owner about what they're to do like in that half an an hour window. But I think something I'd add into that is that your staff what we find with a lot of people that haven't been transparent, and I think what it means is help your team think like business owners is to give them clarity about why the numbers are important. And you know, like where the salon, you know like where the salon, you know how much it costs to run the salon and how much they need to be making, because there's that old rule of thumb. You know like oh, three

times your wage and you can get you know profit share or anything, but that's really no benchmark for like what it costs to run the salon and where the profit is in the business. So if you can open that door and give them an understanding, so I think more along the lines of you know, show them what it costs to run a business and and what their contribution is.

Speaker 2: 6:52
And because they I think there's this and a lot of the salon owners that I speak with there's a resentment from the staff, because at the end of the week they may see that they've made five, ten thousand dollars for the business. So all they think is, oh, they get, I'm getting paid fourteen hundred dollars. They've, I've just made them five thousand or ten thousand and they're giving me like two hundred bucks or you know, like there's this resentment about like how much they make versus how much the salon owner is taking for the business. And you know, as the salon owners, we know like we actually don't get anywhere near what the salon makes and what our staff think that we're getting.

Speaker 3: 7:34
Yeah, and really the sad reality is that most of the team members they don't even know how much they are really making for the salon. So if you don't measure, if you don't even know how much they are really making for the salon, so if you don't measure, if you don't have a kpi, your team member more than likely won't even understand what's going on in the business. So I totally understand and I totally agree that you know like sharing all those numbers and kpis is actually beneficial for everyone, because otherwise your team is just going to think exactly what you said. You know like the business owner is making this much money and we only get this much. So they don't understand that many times salon owners are taking far, far less money as a wage than the team members.

Speaker 2: 8:24
Yeah, and we see that across the board, you know, with even salon owners that do have like their commission structures, and that they say that you know, oh, we're losing team members. And we were actually having a meeting with someone the other day, weren't we? And they're like, oh, they all want to go and work for themselves from home because they all make so much more money at home. And we're like, well, no, um, they think they do and then they have to start, you know, covering costs and stuff. Um, all right, let's one of the things uh, I wanted uh first to have a look at is, um, what happens? What's the you? What does it usually look like for a business when there's no profit sharing system in place?

Speaker 3: 9:09

Yeah, so when we start to work with salon owners and there is no reward system in place, normally what we hear as a feedback from the salon owners, you know like team members are lack of motivation beyond their wages. You know, they just look at the time and they just want to go home. There is no incentives to rebook or upsell or promote retail sales because it doesn't really matter whatever if they do better. They don't feel or they don't see that is better for them at the end of the week and what it will happen or cause for the business is actually a business stagnation. So it's going to the business is going to stagnate due to basically non-interest of your team members to do better.

Speaker 2: 10:04
I just had to try and add myself back to stage. It's been a while since I've driven um. All right, so what? I know like there's a statement that you always make when the team wins, the business wins. And, um, profit sharing is not an expense, it's a investment. Can you explain that to salon owners, because I know a vast majority of salon owners will be like no, it just costs me too much money. What would you say to that?

Speaker 3: 10:34
Yeah. So it just depends. You know, because if you set up a profit share system systematically and based on numbers, then it's a win-win situation for everyone. It's only costing a lot of money when you don't understand how to set up a proper profit share system. Or you may as well one of those salon owners which probably 95% of the salon owners you go to Facebook, you ask around, you know, like how is everyone setting up a profit share system? And then you get all these answers. You know like your team members should earn. You know like four times of their wages, three and a half times three times. But my question is always like, based on what? Like what kind of wage? Is a net wage, a gross wage or is any other? Like what should you consider into? You consider putting into those wages?

Speaker 3: 11:24
And it's very dangerous when you actually implement a system and that system is not based on numbers.

Speaker 3: 11:32
And then whenever you implement something, and even if it's wrong, even if it becomes a win for your team member, but it's never a win for you it's very difficult to take it away and it's very difficult to restructure the system. So I lately had two salon owners who we struggled and it took for us a couple of sessions to correct it and it still ended up with a bigger win for the team members, and the salon owner had to give up a couple of expectations for the time being because the system was set up completely wrongly. So when you set up a system properly, it's actually going to be

an investment, because you're going to pay back money for your team based on performance, and we have different methods what we're going to get into a little bit later but basically, you can set up different ways. You can set up a reward system in different ways, but it's always going to become a win-win situation when you know not only you or not only the team member is going to win. It's going to be equal.

Speaker 2: 12:45
Okay. So in saying that three, if someone before someone is going to set up their reward system right, so we call it profit shares, other people call it commission, you can call it whatever you want. Like it looks like a duck, sounds like a duck, quacks like a duck, it's a duck, right? Yeah, so what are the three things that someone should do, like a salon owner should do, before they go ahead and start implementing, or telling their staff what the commission incentive, profit share, whatever it is is going to be Like? What are the three things that they need to do first, before they implement it?

Speaker 3: 13:26
So what everyone needs to be very careful about that you don't set up a commission or a target or profit share out of blue. Yeah, it's, as I mentioned to you, it needs to be extremely systematic. So, the first thing, what needs to happen? You need to have a look at your pricing and you need to strategically calculate your pricing based on your breakeven and other elements in the business. But your pricing is extremely important because if your pricing doesn't support a target or a profit share system, then you're going to end up dangling the carrot and your team going to become absolutely disencouraged to reach targets. And it happens, unfortunately, so often when the salon owner says, well, we have a system, but they never reach it. So then is what's the point for the system? It's almost like it's like why would you have a target when your team cannot reach that target ever? So your prices definitely need to strategically create it before you get there.

Speaker 2: 14:41
Yeah, you can't set the team up for failure with unrealistic and unachievable expectations for what their targets are. Like you know, the first targets actually have to be, you know, achievable without you know too much trauma. All right, so the second thing.

Speaker 3: 15:01
Well, the second thing is that you need to set up a KPI system to monitor performance and you need to monitor every bit of the performance as possible. And it is because your team needs to understand where they are at, how close they are to actually reach the target. And the consistency is extremely important because if you have targets weekly and you monitor targets weekly, then you need to have the KPI

so your team members understand where they are at. It's very important for the team members to understand say, this is my target for the week. On Thursday I'm here how far I am to actually reach my target by the end of the week.

Speaker 2: 15:52
Okay, yeah, that's fair enough. So in saying that, that brings us onto the next point. Is, you know, like, all right, so if we're going to set up, what are we? We've got the KPIs, but what's what comes next? Like, what else do we have to make sure we put in place.

Speaker 3: 16:10
So the next thing is the hardest thing that I find with salon owners, because everyone is time poor. But this is very crucial when you want to set up a successful system. It is that you need to prepare, to get ready to hold one-on-one meetings with team members, and what we recommend is actually weekly motivational and mentoring meetings. These are only 10 minutes, 15 minutes meetings, and I do understand when you have a fully booked calendar it's very difficult. And this is when I say start with wherever you can start. Yeah, every three weeks. Then you know, make sure you're going to find time every two weeks and then you're going to do weekly. But the most important part is that you, as a salon owner, always have to show up, because so many times I hear you know like, oh, we actually started and we implemented it, but then we get lazy. So if you get lazy, the message what you are sending to your team members is that this is not important for you. So this is where you, as a salon owner, you never can drop the ball, because if you show your team members that this is not important for you, then they will start not to show up and not to worry about hitting the targets. So it's very, very important for us that doesn't really matter.

Speaker 3: 17:31
It's a blood and fire rule.

Speaker 3: 17:31
You have to show up and you need to find a time in the calendar when you are not going to shuffle the appointments the appointments always going to be same day, same time for the same person. And if you have to go that far which I had had to because I only worked once a day a month in my salon I actually run these meetings via Zoom, so this is how I did it. If I couldn't do it in person, obviously it would be beneficial if you can do it in person, but I moved away from my salon. I lived 90 minutes drive away from the salon, so I had no other option, which you know just using Zoom. But it's definitely a crucial part before you start to implement anything, you need to make a decision Am I disciplined enough to hold those meetings eventually, every week? And, honestly, this is the best investment of your time you ever can have, because you invest this 10 minutes and that can mean to you yearly

thousands and thousands of dollars profit, because you sit down and you work through numbers with your team members.

Speaker 2: 18:48
Yeah, and I think it's also important to point out that, like, if these meetings are to, you know, help support your team member to achieve their targets so that they can hit their profit share, and if you're saying, you know, like, you're not important enough for me for 10 minutes to consistently turn up so that I can help you hit your goals and achieve your profits, then they just, you know like what sort of message and, like you said, turning up and showing up for people.

Speaker 2: 19:17
They're not going to turn up and show up for you and your business and your clients if you can't be bothered to turn up and show up for them.

Speaker 2: 19:24
And that whole mentality and that's what leads to you know, like you said, these are the most valuable 10 minutes that you can invest into your business means that if there's any little problems, you've built up a relationship that they trust you enough to come to you with it. Um, you know, depending on the language you use in these, you know whether you come from a point of motivation or whether you come from cracking a whip. You know, like, it's not just about the 10 minutes, about what you do in that 10 minutes, but it also, you know, everyone gosh, even on naps at the moment, everyone's saying showing up, you know you got to show up for me and turn up for me and support me and all that like it's a relationship between the employer and the employee as much as it is, you know, like when you've got your partner. So I think that that last bit is so crucial, that you, as an employer, are showing up to support them achieve something that's in their best interest. Instead of it, you know, solely being in your best interest.

Speaker 3: 20:27
Absolutely, and so many times you know like people ask us. You know like so what to do in the 10, 15 minutes and we have a structure what we teach, because the language, what we are using and the things or the ways you are packaging things for your team members are crucial. It's very important. If you follow the structure, you will finish in 10 minutes. You become their mentor and also their inspiration and you can solve so many problems in 10 minutes. It's amazing. And also with these meetings, you actually build trust with your team members so you will find out on time if it's something wrong with you.

Speaker 3: 21:08

Know out on time if it's something wrong with you know something happening within the team or something wrong with the private life of the team member, because many times happens. You know like we come to work and, out of blue, someone just resigns and we don't know anything about it because we are so disengaged. We are so, so much focusing on making more money, looking after the clients that the main part of the business, which is your team, we tend to forget about it or tend to push them aside. You know like they know what they're doing, or they should know what they're doing, and then you just want to have more and more clients and working more on the floor, so covering costs. But if you understand a little bit more about businesses all going to come back, you will look after your team. Then your team going to look after your clients and your whole business is just starts to work. So it's very, very important.

Speaker 2: 22:14
Yeah, and I think it's we really need to, I guess, focus on the relationship of you know well, for example, relationship of you know well, for example. Uh, you had that um, a salon owner the other day talking to you about you know, like all of a sudden it just out of the blue, they left. They were my biggest earner and you know freaking out. Oh yeah, you're coming back. Asian is like yeah it happens more.

Speaker 3: 22:59
Yeah, so it happens quite often. Yeah, the the salon owner we are work with, they reach out and I said, oh my god, you know what happened. One of my best just left and they gave me the resignation and you know like they more than likely going to take the clients or, you know, big chunk of the clients with them and I wish I would have known. Yeah, this is what the salon owner said. But if you do your one-on-one meetings based on the structure, what we give to clients, which is very structured and very prompt, then you will know everything on time and you don't really need to deal with this kind of problems in your business at all yeah, no, I agree, and, um, I think once you have all those things in place, then you have to.

Speaker 2: 23:52
That's when you can start. Okay, take a deep dive into those numbers and really create that strong reward system. So let's talk about the foundation of and we touched on it lightly, so just to refresh. The strong foundation starts with what? Three things.

Speaker 3: 24:15
So it's strategic pricing. Your price definitely needs to support the system. Then you need to monitor KPI Day in, day out. You cannot drop the ball because it's very

important. And then also you need clear communication with your team yeah, all right, cool.

Speaker 2: 24:34
Well, that brings us into, I guess, the part two of our podcast, and we'll probably um split this up into a part one and part two so that you don't get information overload, guys. But the part two we're going to talk about the different ways that you can profit share um the three, our three different methods that we put in that we've um been able to create calculators for. So Adriana um sat down, we we looked at all the different ways that people were using. We're like, okay, which ways actually make sense? So we've, you know, the profit share, the tiered and the multiple benchmark. So let's just start talking about the first one. Um just talk us through the three methods that you've come up with. With the calculator, because it's really important, guys, it's with the calculator, because it's really important, guys, it's with a calculator, it's not guessing. We're actually using your true numbers, not just. You know a rule of thumb.

Speaker 3: 25:39
Yeah, and it's exactly like. I think to set up a reward system is exactly the same like setting up your pricing. It needs to be strategic because it's all unique to your business. People can tell you you know like you should, you know like they should make three times of their wage, they should make four times of their wage. It's all going to come back to your business. You cannot just go with uneducated advices because then you're going to end up with something, what you don't really like and it's going to be very, very difficult to change. So this why I created different calculators and different score keeping systems supporting the different ways.

Speaker 3: 26:24
So for different methods, there are many different methods available, but based on working with so many salon owners, we actually narrowed down three quite successful systems and sometimes, when we work with salon owners, we actually combine two together or we create, based on the three, another one, but the three. What we are teaching is for it's really suitable for at least 90% of the salons. So the first one is a very simple one. When people are saying, well, the team members needs to reach their targets and again this is extremely important for you to calculate the target properly, unique to your business, and then if they reach the target, then above the sales, we can profit share. So this is a very, very simple system.

Speaker 3: 27:19
Then the second method, which is the most popular method with the average business owners, is a profit share on our total sales that what is including retail. So

again, they have a target and if they go above target we're going to profit share on everything what they made for us. And then we elevated this to another level when we were saying all right, so we have this system, so we're going to pay commission over a whole revenue, what they create, but how we can motivate them more. And this is when we came up with a tier system. So if they make more, we're going to profit share more. Make more, we're going to profit share more.

Speaker 3: 28:13
And then the third one is very, very good for very high level salons. When your team is extremely productive, they don't have any struggle to hitting targets, and this is when you're going to put up multiple benchmarks. So they have the target and there is a payoff after the target. If they reach rebooking, there is another payoff, and if they reach retail, there is another payoff for that. But in order to implement method three, your salon needs to be extremely stable.

Speaker 2: 28:41
So when you start implementing any new systems, I would suggest to go either with method one or method two, and this is what we normally do yeah, no, I think method one and method two are always the the simple places to start and also, when you go into it, each saying to be very clear about is you know like each one is dependent upon the stylist, ability, skill, ways. You know like it has to be within their working parameters as well yes, absolutely like we have to consider.

Speaker 3: 29:22
Everything is not just a very simple you know like, here is the blueprint and you can just pull it, pulled everything into your salon. It doesn't work, unfortunately that way. You cannot swing it. It's exactly like pricing. It's extremely important to be structured.

Speaker 3: 29:41
Also, other questions what I normally get and what we normally work through, you know like oh, you know like I would like to reward my apprentices. Can I reward them and my my take on it? Absolutely you know like we can work out a reward system for apprentices is going to be completely different reward system from a senior stylist, but we definitely can reward them for you know, and motivate them to get better and to become a really, really valuable team member. So, definitely, I think there is a place to reward apprentices, but in the same time, it doesn't need and it not doesn't need, it's actually it. It cannot be the same as, uh, you would reward your uh, senior stylist. So it's very, very important for us to understand.

Speaker 3: 30:35
Also, the other thing is, which is very important once you implement the system, you need to keep KPI, you need to keep score where your team is. So how often you're

going to pay out commission or what is it Like? How many weeks? You know like, am I going to pay out commission every single week once they hit the targets, or are you going to have a different way to do it? And my suggestion is always if you want to keep it fair, it needs to be fair for both sides, and I do not recommend to do weekly targets, I recommend four weeks blocks.

Speaker 3: 31:24
And it's very, very important for us to understand that if your team member hits their target, maybe once every six or seven weeks, and you pay out commission, then what's happening on all the other weeks when she's actually not profitable or he is not profitable for the salon? So when you do a four-week system, then it's a room for balanced things together and because you keep score every single week, at the end of the week you have to enter the data for your team and then you can have a look how far they are to reaching their targets. And this is why your one-on-one meetings become extremely important, because you're going to talk about numbers, you're going to talk about strategies how can I help my team member to reach the target, how far we are, how little effort it takes to reach the targets, because your team member is almost there, so keeping score is just as important, as you know, setting targets for our team members.

Speaker 2: 32:29
Yeah, and like we said before, it's so important to remain consistent. This is not something that you can just start one week and then just let it go and go by the wayside. That's not fair. If you're not going to do it properly, don't do it, but then don't complain that you can't keep staff either.

Speaker 3: 32:50
Exactly Like there is really not many salon owners nailed to do a great commission system, but who they did, the team is just so loyal, they are so happy and everyone is winning because they can earn more. They have the control. Literally they have the control how much they can earn based on the target system, and you know like if they want to buy investment property or if they want to buy their first home, you actually can help them to make that happen, because it's not kept for them. They have, you know they can fulfill their own dream while they are fulfilling your dream also as a salon owner, and it's very important and this way you know connecting back. You know like they will treat their position as a little business within your business, because they will have a control of their earning capacity and you know it's going to up to them. You know how hard they will work because more they will work, more they're going to be rewarded.

Speaker 2: 33:54

Exactly. And also something to remember is that when we do this and as you put it together, it doesn't always have to be a dollar value. That's the reward, like we think outside the square, because some people, you know, may not be motivated by this Like it'll have a value, but it may not be cash, it may be something else. It doesn't always have to be traditional gosh. It may be something else, it doesn't always have to be traditional. So when we set this up and work with our team, there goes half a creeping past me in the background I forgot to put my background on guys. When we're setting it up, we get the team to come together and you have those meetings so that you know who values what and what motivates them, and it all ties in together that whole. It's very holistic with the business and, like Adriana said, the business owners that nail their business are the ones that have all these things.

Speaker 3: 34:54
Oops, oops, I don't know what happened. I was still driving, yeah, yeah, so absolutely, it's really how far you can go with your targets and rewards. Your business is going to dictate it. Yeah, the better your business foundations are, the further you can go. And this is why I'm saying you cannot just decide today that tomorrow I'm going to implement a system and you have no idea how to implement a system or a target system in the business, because it can bite you back really badly, like, honestly, the two salon owners we were struggling with to remove, you know, the bad system. It's a struggle. It's really really difficult to restructure something which works for your team but it doesn't work for you and you just realise, you know, like six months in a year in, you just realise that it actually doesn't work for you.

Speaker 2: 35:56
And sometimes you can't fix it. Like there's some salon owners that we've got that the only way to fix it is when that team member leaves. So they've been like stuck on the hook and then they can't not keep, you know, doing the pay increases or tier increases, because then the stylist is going to go. It's like, well, why am I being, you know, disadvantaged and I can't you know, progress? Because you've kept yourself out. So you know, don't set yourself up for failure by just jumping in and taking advice from Facebook groups or chat GDP, because, guys, I know it's good, but let's be serious.

Speaker 3: 36:38
Yes, all right, it's not that good good. It is great for many things, but not for proper business advice, that's for sure.

Speaker 2: 36:44
Yeah, we tried it and it doesn't work it gives them give some fun it works for us extend, yeah, yeah, yeah but also, um, the the salon owners that, like, are hiring new staff and they're doing it off the 60-40 commission split. Now, back in the day it used

to be well, 60% went to the salon owner, 40% went to the stylist, and that's because the salon owner had to cover all the costs. Now, because salon owners are so desperate to attract staff, it's more so over in america than here in australia. Um is, where we're finding it with our us salons is that the staff's getting the 60, the salon owner gets the 40.

Speaker 2: 37:29
They resent. The salon owners are event resentful, tired. The staff don't clean them up after themselves, they don't work any harder, they don't make any. You know like it just creates such a bad environment that it might work for the first year while the salon owners, or you know there's cash in the bank, whoever's, you know whatever startup they've got for it, or you know just the energy and fun. And then, a few years in, they're like all the way in the red and the staff are just like, coming and going as they please. They don't care about their set hours. They're like oh no, I've made how much I need to make for this week, I'm out.

Speaker 2: 38:06
You know like it's a really bad, and I know Australian salon owners are like going, oh, we'll use this method they use in the US and just do commission splits. They're coming back the other way, guys. They're coming back to this way to um doing it properly based on the salon numbers, because the salons are collapsing and that's you know. Um, even the high-end salons are just getting sold on for fittings and fixtures and passing it on to the next sucker. That's you know has to try and make it work.

Speaker 3: 38:41
So yeah, it's a scary. We definitely can can speak based on real life experience because we work with salons in the us. So it's definitely. We have salon owners coming in and they're struggling with what Australia has just started to take on and we know and we understand that it's going to be a transformational time until the Australian salons are going to realize that it actually doesn't work, realise that it actually doesn't work. So this is why we work really hard with salon owners to work through a fair system which is fair for the team members and also fair for the salon owners.

Speaker 2: 39:29
Yeah, it's fair, fair, fair. We just make everything fair. We have our fair pricing method. We have our fair commission and our fair profit share method and we have our fair pricing method. We have our fair commission and our fair profit share method and we have our fair pricing method. So it's all about keeping it fair for everyone, and then

no one becomes resentful. Our clients don't become resentful. Our team don't become resentful if it's just all based on making sure it's fair.

Speaker 3: 39:58
Yes, absolutely, and it's very.

Speaker 3: 40:01
It is important because you know, like 99% of the business owners, they want to be fair.

Speaker 3: 40:08
You know they don't want to take advantage, but they just don't know how to be fair because it's not easy to figure out on your own. You know, like, how you can create a fair system in your salon for fair pricing for your clients, but also creating a fair reward system for your team members. So it's definitely something what needs to be structured and what needs to be like. As a salon owner, you need to understand exactly why you are doing what you are doing and then you will understand that the profit will come, because you know, like many times, when we will start to work on uh, you know, commission and rewards the salon owners they saying, oh, but I just want to make sure you know, like I will have something left, and you only worry about this when you don't know how to set up this system fairly. If, if, if you set up this system right, it's profitable for everyone. It's profitable for the team members also, because you know they can earn more money yeah, and this is how a salon stays like.

Speaker 2: 41:19
This is the longevity of a salon that you know. It's not just a three or five year salon that comes and goes. It is a salon that is there and if you want to, you know, cash out your investment from the work that you put in. You need to have these kinds of systems in place so that you're selling an asset, not just some fittings and fixtures, when it comes time to All right. Well, that brings us to the end of this episode. All about profit sharing structure with measurable goals and successful systems that keep team members engaged. What have we got coming up? Next week, adriana, or next, just?

Speaker 3: 41:59
before we close this down, I just want to grab a little bit of a key takeaway. Yeah, so before you implement, uh, and you before you implement and sustain like how to implement and sustaining a profit share system. So first you need to choose the right model for your salon. You cannot just go and choose any model. You need to consider the business side, the business size, the team motivations and also the

financial goals. You need to test a pilot version for at least three months before rolling out fully.

Speaker 3: 42:37
Then you need clearly communicate with your team. You need to be extremely transparent about it so they do understand how it works. So you need to educate your staff on how the system works and why it benefits them, because transparency is going to build trust and motivation. And the last one is we need to track and we need to adjust the system based on performance. So it's very important that you're regularly going to revisit, you're going to have a look if it works, if it still works or if it needs to be tweaked, and you need to be transparent about this with your team also. You know like we monitor our system and sometimes I might need to do some adjustments in percentages, in benchmarks or whatever it is, but these three things are the most important things when it comes to implementing and to sustain a really fair system for your team.

Speaker 2: 43:41
Okay, well, we've given you a lot to think about today.

Speaker 3: 43:55
Did we say what our next episode is going to be on?

Speaker 2: 44:02
Well, we didn't really talk through exactly what is going to be, but we might going to talk about client attraction and retention yeah, and I think also from the clients that I've spoken to this week, is that when we're talking about the client attraction and retention, that we really focus on what a client journey is and maybe we just might really clarify what key part your client journey has in that attack in the attraction and retention um psyche of a client.

Speaker 3: 44:34
Yeah, yes, absolutely. I think that's a great idea.

Speaker 2: 44:38
All right. Well, that's us. We'll see you the next episode and we'll take a deep dive into the client attraction, retention and the client journey and what that looks like yeah, so thank you for tuning in, guys, and we will see you soon.

Speaker 2: 44:57
Don't forget our Sal accelerator program demos. If you want to find out more about this and how to implement it, um in a way that is clear, simple and um effective and fair. Um, you can come and grab a one of our salon accelerator demos, because that

is all around. You know our fair pricing method and stuff. So it has a money-back guarantee to increase your revenue in 90 days, or you don't pay. So and we do essentially guarantee three key results. So you'll make up to 20 20 more client using our fair pricing method, um, and you'll be able to optimize your um simple. There's seven simple metrics in your salon so that you can track everything, all those kpis that adriana was talking about, those things you really have to measure and keep an eye on. So you want to do your fair profit share with your team and we'll also show you how to run the profit promos so you can attract your ideal clients and make sure that client journey we were talking about is in place for attracting and retaining those ideal clients.

Speaker 2: 46:19
All right guys thank you very much for being with us yep, forgot to say the links in the. Click the link below if you want to schedule a demo and um, you can catch us on instagram and facebook at focus gdt all right now. Now you can hang me up, adriana, and send me on my way All right, bye for now.

Speaker 3: 46:41
Bye.

Speaker 1: 46:44
Bye guys. Well, that was Beyond the Mirror. Thank you for being a part of this exhilarating adventure. Join Adri and Jodie next week as they continue to help you unlock the true potential of your business, so you can leave your limitations behind and embrace the endless possibilities that lie beyond the mirror. And if you have a burning question that you'd like to feature as a guest on this podcast, just leave us a message at the podcast page at focusgdtcom. So until next time, keep pushing boundaries, keep thriving and always remember that your success is right here, right now, beyond the mirror.