

The Main Objective

From analyzing finances to revamping spa menus, Anderson and Associates reveals how to get on track by examining your spa with a critical eye.

Q. As a new manager, I believe our spa could improve. However, I am ensconced in the craziness of day-to-day operations and fear that I may be losing my objectivity. How do I prevent this from happening, and what should I do first?—*Overwhelmed by Operations*

A. Dear Overwhelmed by Operations: It is important for you to remember that as a leader, you need to provide your spa with strategic and objective vision. While it is sometimes necessary to do what it takes to get the job done, it is essential not to confuse “activity” with “productivity.” Assess your current professional situation through observation and discussions with your department heads, employees, owners, and senior staff.

As part of your review, evaluate past profit-and-loss statements. Look for anomalies in expense and revenue patterns. Flag areas that do not seem to follow operating trends; the greater the anomalies, the more significant your research should be. I would also take this opportunity to evaluate your spa menu. The menu is your spa’s calling card and its primary sales document. Is it working?

When evaluating your spa menu, you must also examine your existing facility. You cannot offer treatments if you don’t have the space to present them properly. It might help you to think of a spa menu the same way you think of a restaurant menu. Restaurants that specialize in particular cuisines or cooking methods usually have the equipment to back up their offerings. It’s not a stretch to believe that an Italian brick oven pizzeria should have a brick oven to roast its pizzas.

I suggest you look at what areas in your spa are always jammed and which ones are underutilized. First, consider those that provide a high profit margin and are popular as your “stars.” Keep them. Next, determine which treatments provide a high profit margin but are not particularly popular. These may be put into the “let’s observe” pile.

Then, figure out which treatments do not have a great profit margin but are very popular. They are considered your “workhorses.” Keep them, as their popularity is a testament to the fact that they drive business. Lastly, decide which treatments provide limited margins and are not particularly popular. They should be the first on the chopping block.

The next piece of this analysis involves developing a correlation between popular treatments and how they utilize the spa facility. Are there ways to logically combine additional pre-treatments with the popular high-yield treatments? If you can do this by also analyzing some of the underutilized space in your spa, you have a home run. Work through your menu evaluating what should be kept and what should be tossed.

When revamping or developing your menu from scratch, it is important to apply a few rules of thumb. First, remember to keep it simple. Secondly, build flexibility into the menu. This is a service business. Ensure that you can deliver what you promise. It is always better to exceed your client’s expectations versus overpromising and under-delivering. Finally, have a signature line that reflects both a sense of place and the theme of your spa. When all is said and done, remember that the spa menu gives your guests an idea of what awaits them.

And about being overwhelmed: get a relaxing treatment from a nearby spa before you’re recognized in the business community. It’s always beneficial to know what the competition is doing.—*Peter C. Anderson and Michele A. Chandler*

Anderson and Michele A. Chandler

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