

Open your own day spa!

FabJob Guide to
**Become a
Spa Owner**



JEREMY MCCARTHY AND JENNIFER JAMES

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1. Introduction

Welcome to the exciting world of spa ownership! Opening a new business is one of the most challenging and exciting things that you will ever experience. You are moving into a phase of total freedom in your life — no more punching a clock, designated break times or miserable bosses for you.

As spa owner, you make the decisions, and you grow your business in the direction you choose. You will experience the **pure reward** of promoting a healthy lifestyle for others. Being satisfied and successful by helping other people to have more happiness, health, and well-being is what owning and operating a spa is all about.

The salary level or profit margin for the spa owner has no limits. Small day spa owners may take home \$80,000 to \$100,000 or more, depending on the size of the spa, the location and the clientele. Owners of larger resort-style spas may take home considerably more than \$100,000.

If a healthy, active and relaxed lifestyle appeals to you, then this is a great environment to spend most of your time. As a spa owner, partaking of spa services on a regular basis is a mandatory part of the job. You will need to test out new services, evaluate staff members, as well as check out the competition. This means getting regular massages, facials, and body treatments whenever possible. Can you handle that?



Of course, there are some risks to this venture, which is why the **FabJob Guide to Become a Spa Owner** exists. This book is designed to help you plan for, open, and operate a fabulously successful spa of your own. The more prepared you are, the more likely you are to hit the ground running when you jump into this burgeoning industry.

1.1 What is a Spa?

The word spa probably comes from the name of the town, Spa, in Belgium famous for over 600 years for its healing hot springs. Some say it is an acronym for the Latin

phrase, “Sanus (or Salus) Per Aqua”, meaning “health by water. The concept of healing baths and waters is widely considered to have sprung forth from the Greek and Roman cultures, but really, virtually every civilization has used waters for healing in one form or another.

We have all heard the word “spa” used to describe a simple whirlpool tub or a steam room, but it is also used to define facilities that offer specific health, wellness and beauty services such as:

- Massages
- Facials and skin treatment
- Full body treatments, like scrubs or wraps
- Hydrotherapy (water treatments)
- Manicures and pedicures
- Hair cut, color and styling
- Nail treatments
- Makeup application
- Wellness consultation

Trained massage therapists, estheticians, nail technicians, makeup artists, or in some cases other professionals such as nurses or dieticians perform these services for clients in a private or semi-private setting. Clients may purchase a single service, or a package of spa services for their visit.

The spa atmosphere is generally **clean, simple, and relaxing**. Sounds of nature or relaxation music are often playing in the background, lighting is usually dimmed and natural as possible, and clients are offered simple robes and towels to wear or rest on while they receive their spa treatment.

Clients can stay at the spa for anywhere from an hour to several days. Spas that complete their services in a few hours (for a simple facial or massage) or a single day are known as day spas, while spas that operate in conjunction with stay-over or hotel facilities are known as destination or resort spas. There is also a growing trend towards offering mobile spa services, where spa services are offered to clients in their own home or office.

1.2 The Spa Market

If you ask anyone who owns a spa, they will tell you that this business is much more than just a job — it is a way of life. In fact, “spa industry” does not fully capture what this business has become. The words **culture**, **lifestyle**, and **spa movement** better indicate the important place that spas now hold in our society.

In a recent International Spa Association (ISPA) survey of spa-goers, spa treatments were a top choice for spending \$200 of discretionary income, coming in ahead of shopping, the movies, music concerts, and even other beauty treatments.

Confirming the strong hold that the spa business has taken in the hearts and minds of the American public, there were approximately 110 million spa visits made in the U.S. in 2003, and that year the U.S. spa industry generated an estimated \$9.4 billion in revenues, according to the ISPA.

The ISPA estimated the number of spas in the U.S. to be almost 15,000 in 2007, representing a 48 percent increase since 2003. More and more people are now recognizing spa visits as an **important part** of their lives.

The spa business is continuing to flourish despite weak economic conditions, war, terrorism and a whole slew of other factors that have hurt every other sector of the hospitality industry. In a way, though, it makes sense — the more stress and anxiety that exist in our culture, the more people feel a need for **relief and comfort**.

You should also know that you don't need to live in a big city to operate a successful spa. In addition to local clientele, many small towns are actually more attractive for urban spa-goers since it gives them a chance to get out of the city and relax. For example, the little prairie town of **Moose Jaw** in Canada (population 34,000) has become well-known as an international spa destination, due partially to its naturally mineral-rich water.

1.3 Benefits of the Career

Running a spa is a job where you will see the results of your hard work on a daily basis, reflected in the faces and body language of satisfied clients. You will be the gracious host for your guests, planning for, creating and maintaining the most comfortable environment to help them relax and enjoy their visit. Here are some of the benefits of this fabulous career choice.

Help People Feel Good

Spas serve the main purpose of helping clients **feel better** on their way out than they did on their way in. In some ways, your job will be like a doctor, nurse, or counselor. You and your spa will bring relaxation, increased self-confidence, and overall health and wellness to your clients. You will enrich people's lives by offering them a chance to heal themselves physically and mentally.

Spa owners are usually in this business because they like to make other people feel better, and are looking for more meaning in their professional life. A career in spas is full of meaning as you get to touch people's lives in such a positive way. People come to the spa to feel good and get back in touch with what is important to them.

Unlimited Spa Services

To most people, "a day at the spa" is an extravagance that they don't treat themselves to nearly enough. When you own a spa, the spa atmosphere is just another day at the office. Even if you don't take advantage of your spa's services daily, you can't really ask for a more relaxing work environment.

If you need to slip away for **a bit of relaxation** after a tough day, everything will be at your fingertips, and your employees will be available for consultation on the latest in health and wellness. You will also be in the enviable position of having spa services available to give away to friends, family, and business associates. Just imagine all the new friends you'll find yourself with.

Be Your Own Boss

As the owner of your spa you will have total control over the decisions that are made and the way your spa is run. You will see your dreams and ideas become reality. You will be the creative mind behind the business, and constantly be looking for new ways to spice up your business with new treatments or products.

One of the best parts of this industry is being able to express yourself creatively and establishing what is different about you and your spa from any other spas out there.

Unlimited Profit Potential

When you own a business, you reap the financial rewards of your hard work. When your spa business is up and running, a profit margin in the six-figure range is certainly within the realm of possibility.

In fact, according to data released in 2004 by the ISPA, the average per-spa **annual revenue** of their member spas is **\$2.5 million**, and \$655,000 for non-members. They reported a per-spa profit margin among their member spas of 16%, and for their non-members, 8%. According to a study on the Canadian spa industry conducted at Cornell University, industry revenues reached \$1.5 billion nationwide in 2003, up a whopping 146% from two years earlier.

Opening more than one spa can be even more lucrative. Franchising or licensing your spa concept is yet another option to grow your business and make even more of a profit.

A Place in Your Community

As a spa owner you will get to know a lot of people. It is a very social business, and with knowing all these people comes lots of invitations to special events, private parties, charity auctions, and anything else of a social nature. If you are social and like to be involved in your community, you will find many doors are opened to you.

This is because you will not only get on a first-name basis with your everyday customers, but with the customers who have discretionary income and an interest in looking and feeling their best: actors and models, politicians, the morning news anchor, and so on. When they are in your spa, you are the one they want to talk to.

1.4 Inside This Guide

This guide is designed to take you step by step through planning for, developing, opening and running your own spa. Following this Introduction is **Chapter 2** (“Spa Basics”), which leads you into the world of spa ownership. You’ll learn about the spa environment and where you’ll fit in as owner, the types of treatments you can offer to your clients, and ways to specialize. You’ll also find a section on how to get yourself ready for this big adventure.

Chapter 3 (“Planning Your Spa”) is going to help you take all those ideas in your head and get them down on paper. You’ll start with some brainstorming and market research, and then review your business options. You’ll then get instructions on how to write and refine your spa’s business plan, as well as calculate your start-up costs and look for financing if necessary.

Chapter 4 is all about “Preparing to Open,” from choosing the right location for your type of spa, to working with engineers and contractors, to decorating. You’ll get a list of the equipment and supplies you’ll need to perform spa services, as well as who you will

need to hire to work in your spa. You'll also get valuable guidance on designing your menu of services, and the licenses you'll need to open your business.

Chapter 5 ("Running Your Spa") is your manual for success and profitability. You will discover how to work out systems for the day-to-day operations such as booking appointments, selling retail products, managing and motivating your employees, accommodating groups of guests, handling complaints, and evaluating your financial performance.

Chapter 6 ("Getting Clients") explains how you attract and keep the lifeblood of your spa business: your clients. You'll read about conventional and unconventional ways to stir interest in your spa, the promotional tools you'll use, and most importantly, how to get clients to become "customers for life."

The guide contains helpful checklists you can use to start and run your spa, sample budgets, sample excerpts of an actual spa business plan, and more. The Conclusion at the end of the guide offers a list of online resources with live links to suppliers, professional associations, and sources of more information.

Now if you are ready, it's time to take the first step. You could be opening the doors to your brand new spa in a very short time from now!