



Jelf Making the cut in the beauty industry

A guide to setting up
your own salon

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Beauty and hair salons are among the most popular types of start-up business in the UK, and with the health and beauty industry making an estimated **£5 billion** a year, it's no surprise that so many people want to grab their slice of the pie.

But starting up a salon certainly isn't a case of overnight success. The initial costs are usually high, and you'll need to be prepared to settle with very little return for the first year or two. However, if you're passionate about making it work, you have a chance of making a successful and rewarding business.

Whether you dream of setting up a hair salon, a beauty salon or a spa, there are several things you need to consider if you want to give yourself the best chance of success. To help get you started we've put together this guide to setting up your own salon, looking at ten of the most important things you need to do to make it in the beauty industry. If you're a student nearing qualification, a seasoned beauty professional looking to go it alone, or even a total newcomer to the industry, these tips will show you how to make a success with your start-up salon.



Figure out how much it will cost

If you're planning on starting up a business in the beauty industry you need to be prepared to invest. The cost of setting up your salon will be dependent on the type of treatments you want to offer - if it's just basic treatments then it will be cheaper to set up, whereas laser machines will cost thousands of pounds. You will also need to pay for your premises, get them fitted out, and hire staff.

When it comes to planning out all these costs, writing a business plan can really help. In this way, you can calculate how much your start-up costs will be and

set realistic expectations of when you'll start making profit - take into account that most salons are not profitable in their first year. Don't worry if you've never put together a business plan before; you can find plenty of information and tips online to help you, as well as free business plan templates handily provided by the government.



Research your market

If you're planning on setting up your business in the town you live in, you probably already have a good idea of your salon's target market, but if you're starting out in an area you don't know that well, it's important that you do plenty of research on the people living there. This should include finding out the income levels in the neighbourhood - which you can do using this tool from the Office for National Statistics - and getting a general idea of the retail and service facilities by spending time exploring the area.

You should also spend some time researching other salons in the area. What are they offering to the town? What are they lacking? Finding a gap in the market whilst bearing in mind what will appeal to the types of people living there is the best method for ensuring the success of your salon.



Find the right location

The old adage of 'location, location, location' applies to businesses as well as homes, so when you're looking for a property for your salon it's important that you do plenty of research on the location. Key factors to consider include:

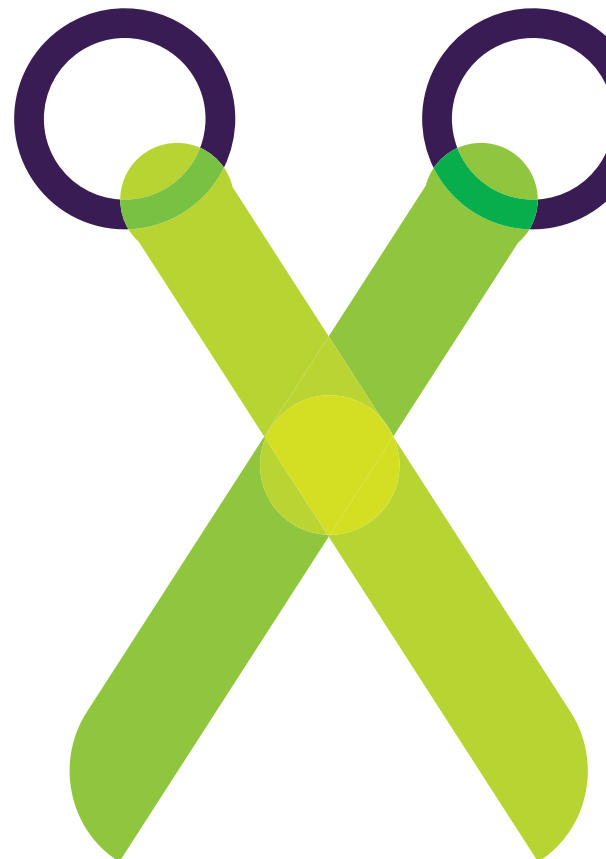
How many people live in the area

The demographic of the area - average age, occupation, etc.

What kind of businesses there are locally (including how many salons are already there)

How easy it is to get to

You should also speak to your local authority before you get too attached to a property, as for many buildings you won't be able to get the specific planning permission needed for a salon.



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Get permission and licences

You may feel like your business is pretty much ready to go once you've found your premises, but you may need to hold your horses, as there are quite a few legal hoops to jump through before you can get your salon up and running. Firstly, it is likely that you will need to register your salon with your local authority, and you will also need to obtain a number of different licences.

Pretty much every treatment on offer in a salon requires a licence, including aromatherapy, intense light treatments, massages, beauty treatments, chiropody, pedicures, reflexology, saunas, sun

beds and manicures. You'll even need a licence for playing music! Don't worry though, you can get all the information on licences you need from the government's Licence Finder.

Health and safety is also very important for salons, so make sure that your business meets all the requirements in this area. There are several organisations that will help you with your health and safety, but perhaps the most reliable is the Health and Safety Executive, which provides a guide on dealing with health and safety in a small business.

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Insure your business

Whilst every business should think about insuring its premises, you may need to take out a more specialist kind of insurance policy if you're setting up a hair or beauty salon. Most commonly, Public Liability insurance offers cover for claims made against you should a member of public suffer injury as a result of any mishaps on your premises. If you're buying your salon you may also want some Buildings & Contents Cover, even rented salons may still wish to arrange Contents Cover. If you have staff, you'll also need to take out Employers' Liability insurance to fulfil your legal obligation as an employer.

Other, lesser known covers may also be attractive as they offer you extra protection and can help to prevent losses. These include:

Treatment Cover – this can offer protection for claims made against you regarding treatments you provide like manicures, colourings, massage, sunbeds - but cover tends to vary depending on who you buy it from, so it's important to read the cover details and ask an expert if you're unsure.

Business Interruption – this type of insurance protects you from losses if you're unable to trade due to specific events. So if, for example, the water in your area was out for the day, how much would that cost your salon? Business Interruption insurance protects you from these kinds of losses.

Stock & Money Cover – if you have stock for sale on your premises or have lots of money in your safe, this can help protect your assets.

Whatever cover you choose to go for, make sure to get a package that's tailored to your needs. Be aware that there are some things your package probably won't cover, but mostly these are just common sense. For example you can't claim on injuries caused during treatments that weren't carried out following the correct procedures, or that were carried out by staff with insufficient training.

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Choose which treatments you want to offer

Whether you're setting up a beauty or hair salon, it's important that you consider what kind of treatments you're going to offer. This will be based on the kind of skills your staff have to offer, the types of customers you want to attract and what they expect from a salon. Do you want to be known as the all-rounder who covers everything? Do you want to specialise in a particular area? Deciding which of these categories you want to fit into should help you to pick which treatments you want to offer.

If you're planning on offering more varied or specialised treatments then bear in mind that they often require a high level of expertise. It's also worth considering new treatments as they could give your salon an edge that competitors don't have. When you're starting up, you should also decide whether you want to branch into retail and invest in stock for your reception.



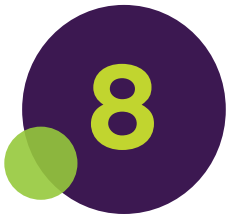
Price up your treatments

When it comes to deciding how much you're going to charge for your treatments, have a look at the price lists of other salons and use them as a guide. Take into account the salon's location - is it in a fashionable area or is it out of the way? You should look at the pricing of the cheapest competing salons as well as high-end salons and figure out where you fit on that scale.

Whilst offering the cheapest treatments in town can be a good way to lure in new customers, it's not the best long-term strategy. As the quality of your staff and services grow, you may find yourself stuck in the

rut of being a cheap salon, and a sudden rise in your prices could alienate your loyal base of customers.

The best thing to do is match your prices to the salons you see as your direct competitors, but grab the attention of customers with plenty of deals and money-saving options. For example, you could encourage new customers to come in by giving them an introductory discount, and offer discounts or bonus treatments when customers pay for sessions in bulk. In this way, you'll be able to keep your prices reasonable, whilst making your customers feel like they're getting a great deal.



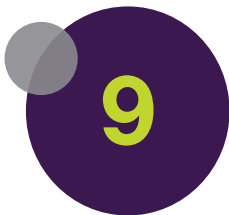
Find the right staff

A salon is only as good as the people working in it, so it's important that from the very start you spend time finding the right staff. At the very least, all of your therapists will need either a level two or three NVQ qualification or exam equivalent from a recognised government body. It's up to you if you want to hire experienced therapists or those fresh from college, but both have their pros and cons.

Hiring a more experienced therapist is obviously more expensive, but if you plan to offer treatments that require a specialist then you'll need to hire someone with those qualifications. Hiring someone with more experience can also be a wise investment as they can help you to train up new staff. On the

other hand, it's less expensive to hire therapists with fewer qualifications and you'll be able to train them in treatments the way you like them to be done.

Whatever the level of experience you're looking for in your employees, the most important thing is that they are friendly and polite. When people come in for beauty or hair treatments they usually expect to talk to staff, so a friendly personality is essential. Your staff should also be an advertisement of the services you offer, so be sure to lay down ground rules from the outset about arriving to work with a groomed, professional appearance.



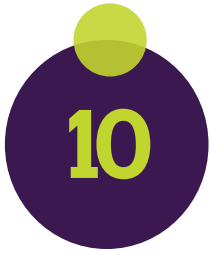
Set up a website

With so many people using the internet to shop and find local services, your online presence is probably the first experience potential customers will have of your business, so you need to make sure that you have a website that creates the best possible impression.

The key to a good website is making sure that you provide all the features that would be useful to visitors. For example, people might come to your website looking for your opening times or to find out where you are, so put a map, directions and your opening times on the homepage. You should also

include your price lists and information on any deals or offers.

On top of this, you can advertise your business and connect with your customers for free via social media sites such as Twitter and Facebook. Don't worry if you're not a whizz with computers though, as there are plenty of handy beginner's guides to social media marketing, such as [this one](#) from Hongkiat.



Keep your clients satisfied

Having a set of clients that return to your salon regularly will eventually become the main source of income for your business, so make sure that you give newcomers a good reason to come back. Try to give all of your customers the best possible experience every time they visit, and go out of your way to make them feel valued. After all, the best advertisement for your business is a satisfied client.

You might also want to consider offering discounts and a loyalty card scheme to keep people coming back. If you have a computerised system you can easily store the contact details of your clients and text or email them with updates on products, services, and any special offers you have on.