

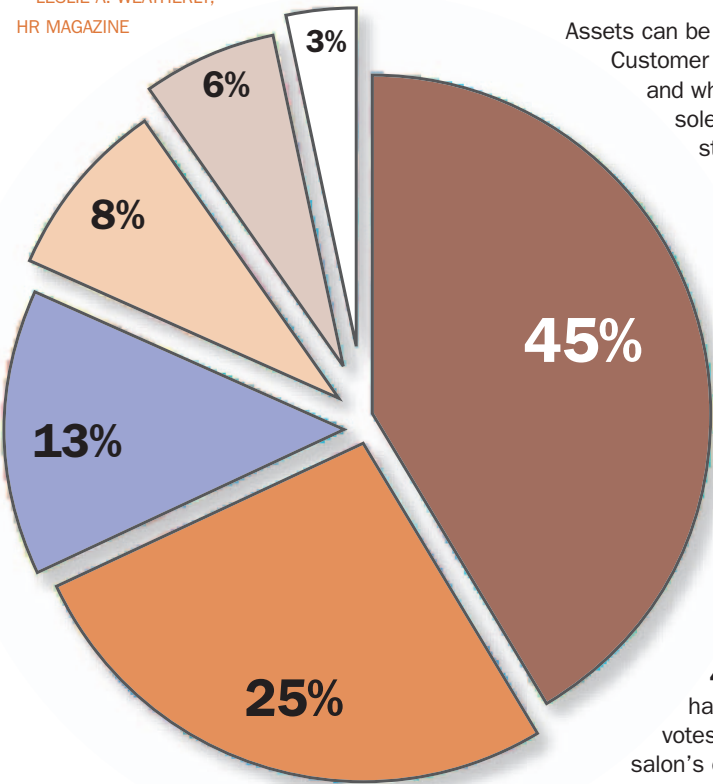


Nail Biz subscription: \$0
 New nail station: \$495
 Annual education fund: \$5,000
ASSETS: PRICELESS

“If we believe that people are our greatest asset then we must also believe that organizations compete for business through the people they employ. If this is the case, then it is to the organization’s advantage to ensure its greatest asset, human capital, is utilized to its best and highest use.”
 — LESLIE A. WEATHERLY,
 HR MAGAZINE

Link critical resources to generate revenue

From the quaint nail-only salon in a small suburb to the 5,000 square foot day spa in New York City, a salon’s success is based on the perceived value of its assets. Also known as *capital*, assets are anything of value be it the products you retail, the talents of your staff, or your year-end profits. Simply put, assets are priceless commodities that your business must have to flourish.



Assets can be broken down into *customer capital, structural capital and human capital*. Customer capital triggers a number of key decisions such as which products to carry and what services to offer. It is known, in fact, that some companies are acquired solely on the strength and value of its customer capital. Besides customers, the strength of an organization arises out of the efficiency of its operations — structural capital. The key, however, to any organization is the foundation of its human capital.

Human capital, possibly the most important tangible asset, is the collective sum of the attributes, life experiences, knowledge, inventiveness, energy and enthusiasm of your staff. Without the proper human capital in place businesses run the risk of failure. Why? Customers visit your salon because you offer them services they can’t get elsewhere. They come back to you because you continue to offer them something new, something innovative, something of value.

Valuable Assets

Intangible assets are those that you can’t touch or see but have tremendous value. *Nail Biz* surveyed its readers asking which intangible asset is most important in a salon.

45% of respondents feel that customer loyalty is the most important asset to have, while **25%** voted for salon reputation. Education followed with **13%** of the votes, with business relationships trailing at **8%**, location at **6%**, capped off with a salon’s culture at **3%**.

Asset Management

Now that you’re familiar with what an asset is and which are most prevalent within a salon, it’s time to find the best path of managing those assets. For each are concrete ideas on how to build your assets for the long-term success of your business.

BUSINESS RELATIONSHIPS — Associates are key elements of your business. They can come to your aid when you’re experiencing a hardship, provide added exposure for your business by praising your work to friends and colleagues and open you up to networking opportunities you may otherwise miss out on. Keep these relationships close. Bounce ideas off one another. Rely on them as an unbiased resource for catapulting your business.

CULTURE — A salon’s culture can be a place you want to be or a place you don’t. Finding the right home to hang your hat can be a difficult yet rewarding experience. Every salon is unique from the various services they offer, to the policies and procedures that govern the business, to the flexibility of its management. For example, one local salon may be upscale and modern, while another may be casual chic allowing employees and clients to find refuge in a down and dirty salon that promotes fun and fury. If you live in a city that caters to a certain type of lifestyle consider incorporating some of the city’s characteristics into your salon. Or, if you have a unique concept, go with it!

CUSTOMER LOYALTY — As one of the greatest assets of any customer-oriented business, your clientele are your bread and butter so treat them as such. Cater to their every whim; every desire. Provide services and experiences that far surpass their expectations. In return, you’ll have established a loyal clientele that is happy to speak your praise.

EDUCATION — Your education is one thing that will go with you no matter where this business takes you. One of the best things you can do for your business is add to your education base whenever you get the opportunity. Why? Clients today don’t want a nail tech that is stuck in the ’80s. They’re educated themselves and are looking for you to make recommendations. Not only on what’s hot in the industry, but what will also work and look best on them.

LOCATION — As they say in real estate, “location, location, location.” The location of your salon can be a huge asset or deterrent. Simply put, it can make or break your business. So, think it through. Do your research. Check your local Chamber of Commerce for information on up and coming property and competing businesses within a 25 mile radius.

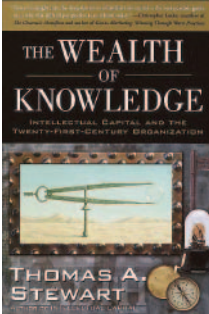
REPUTATION — We’ve all heard the old saying, “A happy client will tell one person, an unsatisfied client will tell many.” A good reputation is possibly the best PR tool any salon could have in place. The reason is the longer you continue to “wow” your clients the longer and more frequently they’ll share your talents with those they meet. Work diligently to fine tune your “experiences” so clients continue to have a reason to praise you.

If asset management is not an active part of your operational plan, then re-evaluate it immediately. These simple points can make or break your business so do what needs to be done. Manage your assets and grow your business! **nb**

WRITTEN BY **WENDY WOODWARD**

SOURCES: Society for Human Resource Management; www.tcs.com

[book] *The Wealth of Knowledge* by Thomas Stewart



YOU SAID IT

“Knowledge [education] is power!”
 ARPI SEKERYAN
 LAVAL, QUEBEC CITY

“A salon’s **culture** is by far the most important asset! Once the owner sets the standards for service, attitude and quality, the reputation of the salon grows, as does customer loyalty. The culture dictates the procedures, products and regulations thereby enforcing the highest educational standards.”
 MARLEE WILLIS
 ELMHURST, IL

“Without **customer loyalty** you’ll go nowhere. The customer is the most important aspect of your day. They pay the bills — period!”
 JILL BRICE
 ROCHESTER, NY

“What sets you apart and allows you to create a great set of enhancements is the level and depth of your **education**.”
 SHEERA AMUNDSON
 CHANDLER, AZ

“As they say... good news travels, but bad news travels FAST. Thus, a good **reputation** is vital for success.”
 TONI CLEAR
 GASTONIA, NC

“**Education** gives you the insight into what clients look for in a salon. By predicting their wants and desires you can create an environment that satisfies.”
 DARLENE SAMMONS
 CHATTANOOGA, TN