

12TH ANNUAL

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# salon today

# 200

## AMERICA'S FASTEST-GROWING SALONS



**PETER LAWSON**  
\$1 MILLION  
TO \$1,999,999



**NICK ARROJO**  
\$2 MILLION +



**JIM & SONDRA THRASHER**  
\$500,000 - \$999,999



**SHELIA FERGUSON**  
UP TO \$500,000



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A MODERN SALON PUBLICATION

## › Self-Portrait Exercise

One of the most valuable benefits from the information we collect for SALON TODAY 200 is the ability to offer our readers a mirror reflecting the state of salon business and benchmarks to measure their own businesses against.

Here's some additional points to ponder:

**When the fastest-growing salons look at their gross revenue by category, the average percentages break down like this:**

Hair Color Service Sales:  
**33 percent**

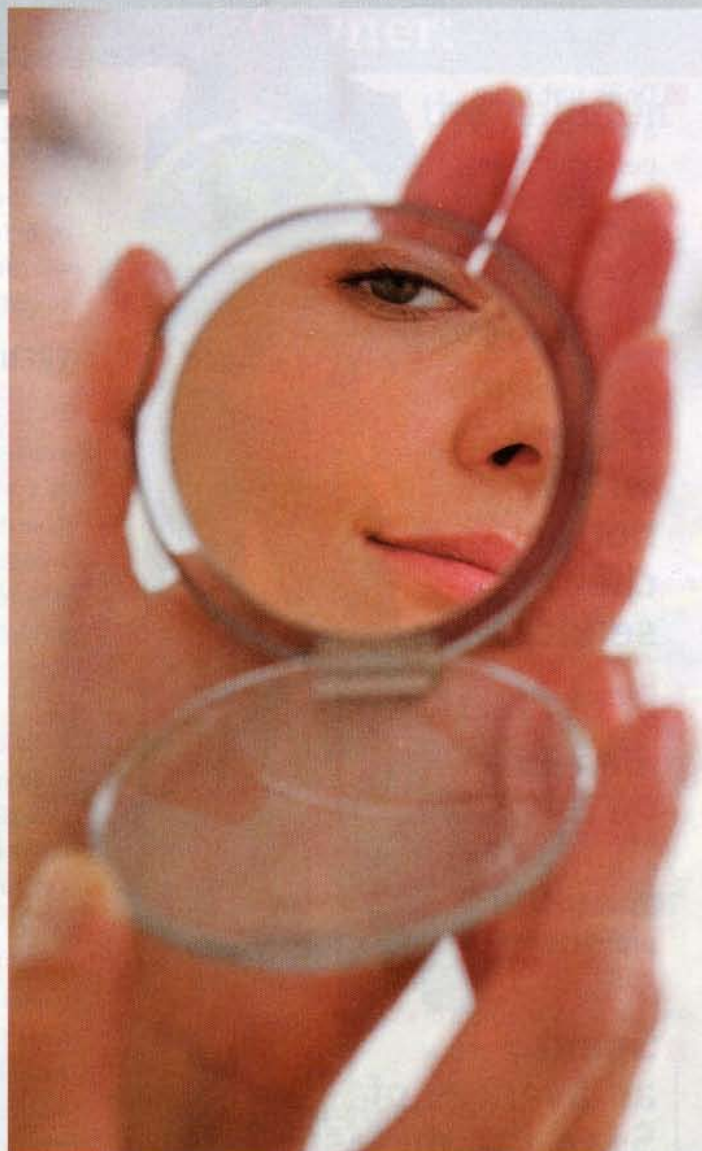
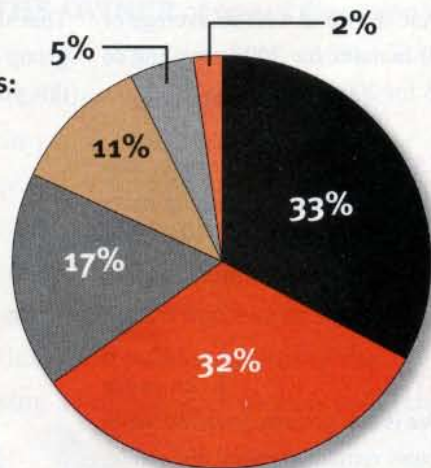
Hair Cutting Service Sales:  
**32 percent**

Retail Sales:  
**17 percent**

Skin Care, Body Care,  
Spa-Type Service Sales:  
**11 percent**

Nail Service Sales:  
**5 percent**

Chemical Service Sales:  
**2 percent**



- Of those salons that do have more than one location, on average they operate three sites.
- Growth rates are higher for salons with lower gross revenues. For example, salons with gross revenues up to \$499,999 experienced a 26-percent growth rate, while salons with sales exceeding \$2 million grew an average of 15 percent.
- There is a relationship between the price charged for a shampoo, cut and style and total gross revenues. As the prices increase, so do the gross revenues—from an

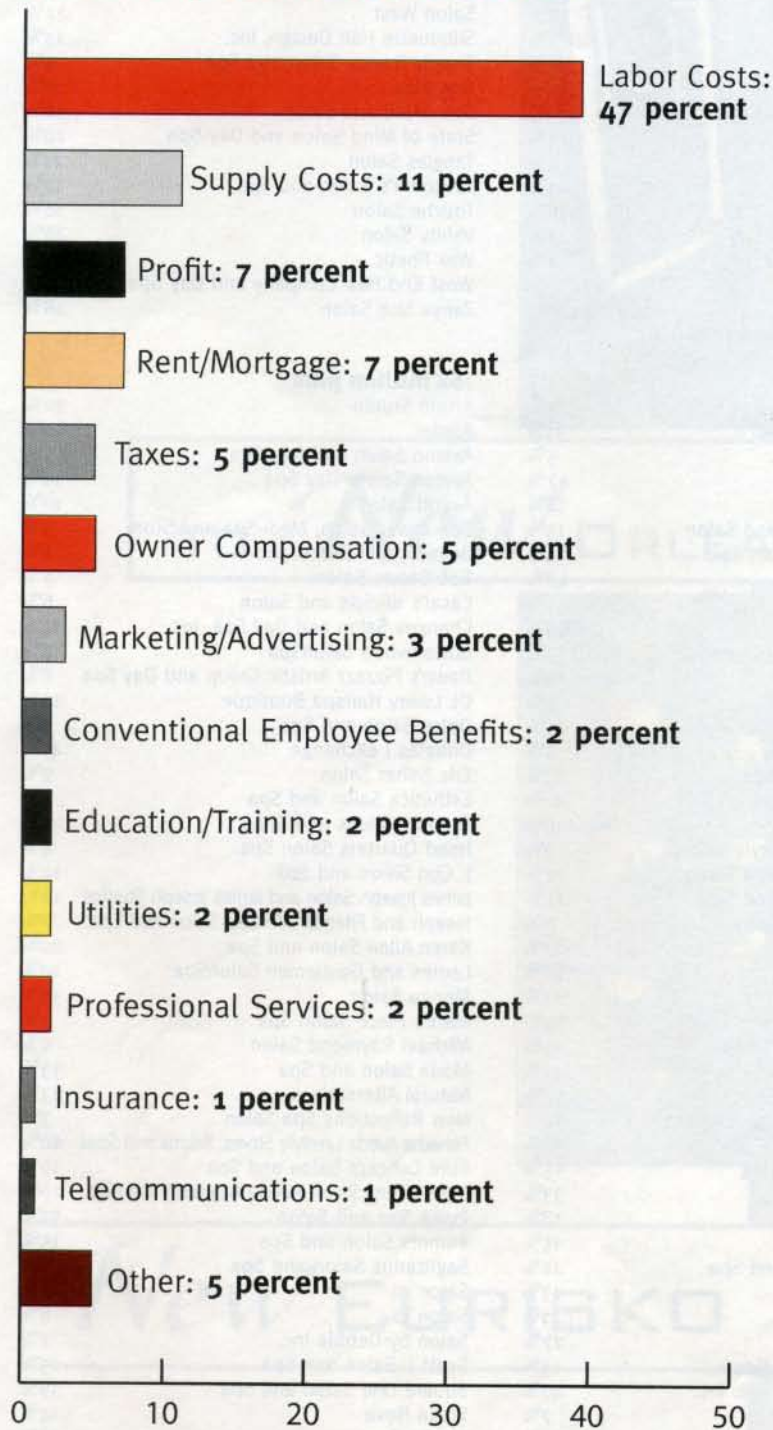
average of \$42 for salons in the lowest revenue category to \$52 in the highest revenue category.

- Individual service providers earn significantly more in salons that take in more revenue. Stylists in salons with gross earnings up to \$499,999 earn on average \$38,148 compared to stylist working in salons with gross earnings exceeding \$2 million who earn an average of \$54,468.
- Fifty-one percent of ST200 salons completed a remodel in the past two years.
- Salons with gross revenues

more than \$2 million have twice as many employees as do salons grossing \$1 million to \$1,999,999—an average of 73 versus 30.

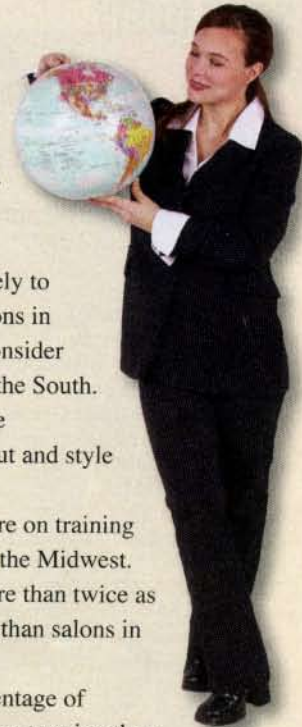
- On average, ST200 salons employ one full-time support person for every three full-time income-producing employees.
- Only 29 percent of ST200 salons employ a retail manager who is separate from the owner or front desk staff.
- Eighty-six percent of ST200 salons offer compensation to their staff members for retail sales.

## ST200 salons break their total salon expenditures down to:



## Regional Reflections

The states with the most ST200 applicants are Ohio, Texas, Pennsylvania, Illinois and Indiana. Notable differences include:



- Salons in the Midwest are more likely to be larger in terms of space than salons in the Northeast, and more likely to consider themselves day spas than salons in the South.
- Salons in the South and West charge significantly more for a shampoo, cut and style than salons in the Midwest.
- Salon owners in the West spend more on training and education than salon owners in the Midwest.
- Salon owners in the West spend more than twice as much on marketing and advertising than salons in the South.
- Labor costs represent a higher percentage of operating expenditures in the Northeast region than in the West.
- Bath and body products are more likely to be sold in the West than in the South and Northeast.
- Salons in the West are more likely to have remodeled than salons in the Midwest.
- Salons who remodeled in the Northeast spent twice as much as salons in the South.



## ST200 Criteria

To be eligible for consideration in ST200, salons had to meet the following criteria:

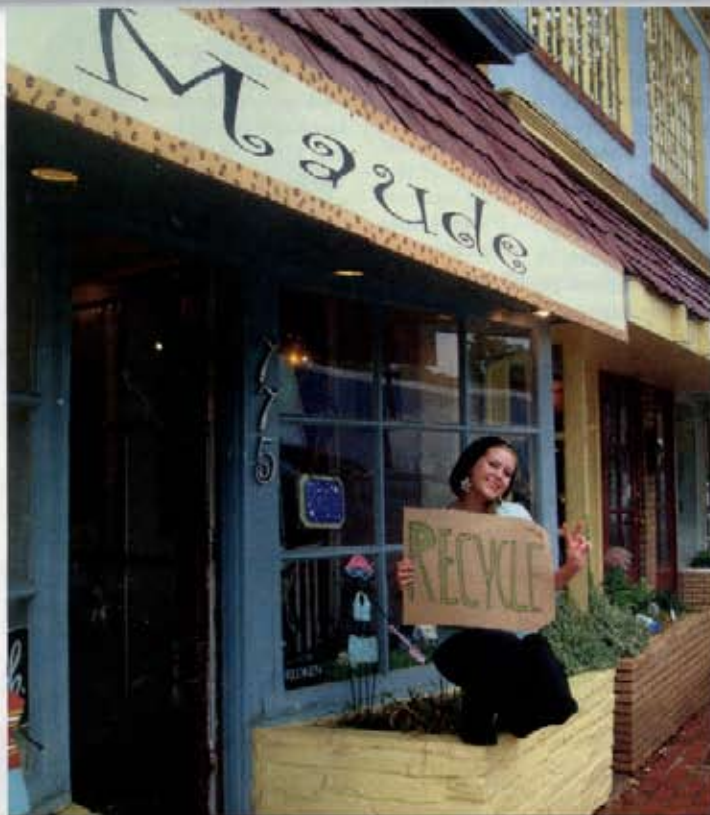
**PROFESSIONALISM:** The salon is primarily a provider of professional salon services including, but not limited to, one of more of the following: hair care, skin care, body care and spa treatments.

**VOLUME:** The salon generated gross revenue and product sale revenues of at least \$250,000 per year since 2007.

**GROWTH:** Salon revenues were greater in 2007 than in 2006.

**WILLINGNESS TO SHARE:** The salon owner signed the completed entry form, including financial disclosures for 2006 and 2007 and other statistical information, and granted SALON TODAY permission to publish this information.

**VERIFICATION:** The salon owner submitted documentation to verify financials for 2006 and 2007.



An important environmental message from Maude in Herndon, Virginia.

### Maude

Herndon, VA  
www.maudehair.com  
Vanessa Rose, Catina Jay and Celeste Williams  
'06: \$851,000  
'07: \$1,077,000  
increase: 27%  
square feet: 2,000  
total employees: 17  
full-time income-producing: 6  
full-time support: 11  
average cut & style: \$60  
best-selling retail line: Bumble and bumble  
most frequently used color: Redken  
salon software: Salon Transcripts  
marketing budget: \$3,600  
education budget: \$2,400

"The idea to become green was brought to us by one of our junior stylists. She really took initiative to make it all happen. It was a challenge, but we've been very successful and it's so rewarding to have an employee show such creativity and contribute to her salon and environment."

### Ncolor Salon and Boutique

Naples, FL  
www.ncolorsalon.com  
Gary Harlan  
'06: \$1,736,000  
'07: \$1,997,000  
increase: 15%  
square feet: 1,600  
total employees: 12  
full-time income-producing: 6  
full-time support: 6  
average cut & style: \$70  
best-selling retail lines: Kérastase,  
most frequently used color: Redken,  
Wella  
salon software: Harms/Millennium  
marketing budget: \$3,000  
education budget: \$5,000  
association: PBA

"In the renovation of our new salon, we installed a high-efficiency air conditioner and compact florescent lighting—even though we increased our salon space 30 percent, our electric bill has reduced by 50 percent."

### Life SalonSpa

Halifax, Nova Scotia  
www.lifesalonspa.com  
Peter Lawson  
'06: \$1,235,000  
'07: \$1,400,000  
increase: 13%  
square feet: 2,000  
total employees: 28  
full-time income-producing: 20  
full-time support: 5  
average cut & style: \$49  
best-selling retail line: Aveda  
most frequently used color: Aveda  
salon software: Milano  
marketing budget: \$33,100  
education budget: \$12,500  
association: The Cosmetology Association of Nova Scotia

"We launched a new program last summer called Prestige Checkout Advisor, a person who meets with guests during their service to enhance checkout. The PCA coordinates pre-booking the next appointment, validates parking, aids in retail product sales and introduces the guest to other promotions."

### Lyndons Salon Spa

Clarksville, TN  
www.lyndonsalonspa.com  
Lyndon Wayne Watts  
'06: \$888,000  
'07: \$1,072,000  
increase: 21%  
square feet: 3,800/2,000  
(two locations)  
total employees: 25  
full-time income-producing: 12  
full-time support: 5  
average cut & style: \$45  
best-selling retail line: Aveda  
most frequently used color: Aveda  
salon software: SalonBiz  
marketing budget: \$25,800  
education budget: \$5,000

"This year we opened our second location, which is geared toward a younger demographic than our flagship salon. It's only been open a few months, however, we are looking for big things from this location in the year to come."

### Oasis Salon and Day Spa, Inc.

Joplin, MO  
www.oasisalonanddayspa.com  
Darlene Shepherd, Adrian Petticrew and Aubree Templeman  
'06: \$1,074,000  
'07: \$1,499,000  
increase: 40%  
square feet: 8,700  
total employees: 47  
full-time income-producing: 30  
full-time support: 6  
average cut & style: \$30  
best-selling retail lines: Pureology,  
Redken  
most frequently used color: Redken  
salon software: Envision  
marketing budget: \$115,900  
education budget: \$8,000  
association: KRS Summit Salons

"In October, we teamed up with St. John's Hospital and KSNF (our local TV station) and came up with a breast cancer awareness campaign called 'Pampering for Prevention.' St. John's mobile mammography van came to our salon, and we encouraged clients to have their yearly mammogram screening before or after their service. It was a huge success!"

### Parlor

New York, NY  
www.parlorhairsalon.com  
Gwenn LeMoine  
'06: \$956,000  
'07: \$1,022,000  
increase: 7%  
square feet: 950  
total employees: 12  
full-time income-producing: 7  
full-time support: 1  
average cut & style: \$71  
best-selling retail line: Aveda  
most frequently used color: Aveda,  
Framesi  
salon software: SalonBiz  
marketing budget: \$15,000  
education budget: \$11,400  
association: PBA

"With our flexible work schedule, we used to have a hard time making sure everyone received new information. We now make it a requirement that staff check their e-mail at least once every three days. To reward those who keep on top of our correspondence, we occasionally offer a prize for a quick response."