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BY MALY'S

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## High End and Low Key

The secrets behind  
L.A.'s celeb hotspot,  
Neil George Salon

## ***SIMPLY STYLISH***

Polished hair wins at  
the Grammy Awards

## **TAKE CONTROL**

Grow your salon business  
during this year of change  
with the right software

# TAKE CONTROL

Having the right software can help you grow your salon— even in this year of change.

**W**ill you still be in business next year? To succeed in 2009, you'll need to quickly adapt to the changing marketplace. This means trimming the fat, dumping the dead wood and stepping it up to stand out from the competition. Salon owners must adjust to a more cautious, value-oriented consumer by providing them with the best services, products and experiences. "In these uncertain economic times, salon owners need to have control of their business and run a tighter ship," says Paul Pagliaro, President and CEO of Milano Systems, a company that helps salons grow their business and increase their profits through software products and services. "Our software helps them by organizing, tracking and analyzing information."

Below are four areas that need your attention right now. See how the right software can help you manage them and keep your business strong.

## CONTROLLING COSTS

Do you know where your money is being spent? No matter how you divide your operating budget, Milano software can track and manage such things as inventory, labor costs and marketing. According to Paul, salon owners spend an average of 30 percent of their overall revenues on professional backbar products. "That average should be 15 percent," he says. "Once the inventory is set up, you can track every tube of color." The company offers an electronic document interface that downloads all the SKU numbers from Malys making the

**Left:** With the right software, you can track your clients' spending habits and market effectively. **Opposite page:** Amadeus Salons & Spas, with six locations in CA, has used Milano software for several years to manage its business.





implementation of the inventory system easy for salon owners. The software also tracks peak times, allowing for cost-effective scheduling, and provides email marketing which saves on paper, mailers and postage while delivering more effective communications to clients.

### STAFF PRODUCTIVITY

Labor costs in the salon industry are on average 60 percent of total expenses. To maximize that outlay, you should set, track and measure performance such as service and retail sales, pre-booking and client retention. With Milano software, you'll be able to track your staff's sales goals per day, week or month in real time. Your staff will also be able to log-on using a personalized Smart Card to view and print their goals for the day, week or month. Paul suggests setting realistic goals and having a weekly conversation with each staff member in a group setting. "This way you can highlight a person's high performance and ask, 'How did you do that?'" he says. "You can start to develop best practices for your salon."

### CLIENT RETENTION

Retaining a client costs one-tenth of the expense of finding a new one. It's never been more important to take care of your customers and keep them coming back. Milano software can help track customer satisfaction along with client preferences, spending habits and needs. You can stay on top of your business and client base with retention reports for new clients and existing customers. You can run them for all salon clients or break them down by staff member. In addition, Milano has developed an automated, personalized email-marketing program based on client behavior. Once it's set up, the software will send out emails thanking clients for referrals or for visiting the salon for the first time; reminding clients of future appointments; and acknowledging clients' birthdays, reward points, or that it's been a while since their last appointment.

"Salon owners are busy working so we do the marketing for them," says Paul. "They set up the initial layout once, then it's personalized and sends the emails for them. This program alone

can increase client retention by 10 to 15 percent."

### CLIENT REFERRAL

When it comes to finding new clients, your current customers are a gold mine — you just need to give them an incentive to send you referrals. Milano software can help you track and manage a loyalty program. You can give points for referrals, service and retail sales — even for birthdays. Each time your client makes a purchase, the total points earned will be on the receipt. "Everyone loves to earn points; it brings excitement," says Paul. "It doesn't matter how much the gift costs. It's being recognized as a loyal client that matters."

Paul has found that if owners implement the programs in the four categories above, they will recoup their software investment in three months. "In one year, they should see a 30 percent increase," he says. "If their sales are \$300,000, that would be an additional \$90,000."

For more information, contact Milano Systems at 800-667-1596.

### The Price of Success

Concerned about spending money right now? According to Paul Pagliaro, President and CEO of Milano Systems, a software system doesn't have to break the bank. For less than \$5,000, he can have your salon up and running with everything it needs including a computer, software, cash drawer with printer, scanner and training. Software is available for salons, spas and medispas beginning at \$1,995.00 A lease option with payments over 48 months is also available. To learn more, contact Milano Systems at 800-667-1596.