
SHOW ME THE MONEY

Owning A Salon Is Good For Your Wealth



Too many people put down hairdressers and beauticians as a dead end job, they even snigger at salon owners saying it's only a matter of time before you close. There is NO money in it, it's a hobby, it's stressful and will take you no where.

Well I wanted to prove these people wrong. This is me, my life. I've lived and breathed hairdressing for over 35 years and I know different. I decided to prove these people wrong once and for all.

But first a little back story about me.

Hi I am Richard McCabe a salon business coach and I help salon owners make more money and free up more time. I wasn't always a coach, I left school with poor exam results and fell into hairdressing, it wasn't long before I started my own salon and struggled for the first 5 years. Making average money working month to month (like most salon owners). I then decided to learn a better way to run my business and for the majority of my salon owner life I had a very comfortable living, giving me a lifestyle that I wanted.

When I was looking to purchase my second salon I realised that a lot of salon owners were just scraping by and not many were making money, so that's how I fell into coaching. I wanted to help them and share my system.

From that day on I have had this battle with some salon owners that say YOU CANNOT make money as an owner, the margins are too small and everyone is struggling. This week I had this conversation with three owners

and all of them said that most salon owners would be making marginal profits if any.

I know I was right as I was a salon owner making this kind of money, I have salons in my coaching practice earning and paying themselves extremely well, so I thought I would throw the question out on Facebook to any one that would help me build a picture of our industry.



This exercise in by no means exhaustive and may not even be the industry standard. But the results are real and true. Salon owners sent me these figures with no bribes and no other reason than sharing what they do. I thank each and every one of them for sharing and helping others gain knowledge that there is money to be made as a salon owner.

This is what I posted to 3 groups on Facebook

Hey Tribe I'm doing a survey and I need your help.
Please feel free to message me (so its private, I will never tell, promise)

How much profit does your salon give you?

- 0-\$40,000
- \$40,000 - \$60,000
- \$60,000- \$100,000
- \$100,000- \$150,000
- \$150,000-\$200,000
- \$200,000- \$250,000
- \$250,000+

This is your wage and some :)

I wanted to see how many salon owners make real money. (too many people feel that being a salon owner is a dead end career. I still say that you can pay yourself \$100,000 min a year.

Thanks guys. I will post the % answers in a week after all the salons have gotten back to me. Share your numbers and help others grow

Rich



Here are the results starting from the lowest to the highest.

0-\$40,000

Salon profit takings bracket \$0 to \$40,000 there was a total of 9 salons who shared their takings with me and I have concluded the following.

Number of staff ranged from 2 - 5 with an average of 3 staff per salon.
Average bill ranged from \$60 - \$140 with an average ticket price of \$88

Out of the 9 salons surveyed 1 had business coaching help.
Only 11% total had coaching.

\$40,000 - \$60,000

In the second bracket of salon owners profit we were looking at salon owners that made a profit between \$40,000 - \$60,000

We had a total of 8 salons in this bracket.
Average bill ranged between \$76 - \$120 with an average of \$86 per salon.
Number of staff for working these salons ranged between 1 and 5 with an average of 3 per salon

Out of 8 salons 0 had any coaching at all

Zero % had coaching.

\$60,000- \$100,000

This category is getting respectably close to a good wage. The average profit for a salon in this category was \$55,000 profit.

In this category of \$60,000 to \$100,000 we had 8 salons give us information to share with you.

Average bill ranged from \$34 - \$110 with an average of \$81

Staff working for salons in this category ranged from 2 to 6 with an average of 4 staff per salon.

The salons profit ranged from \$67,000 to \$95,000 with 90% of the salons sitting above \$85,000 respectively. The average profit for them all was a cool \$72,000

Out of the 8 salons we surveyed 7 had business coaching, a whopping 87%

\$100,000- \$150,000

The next category was \$100,000 to \$150,000

We are getting serious numbers here, any salon owner that pays themselves in this category are making themselves a really good living. In this category we saw some great numbers and salon owners really making some great money.

We had a total of 6 salons in this category and saw profits range from \$101,000 to \$140,000 with an average of \$125,000 between them.

Staffing wise was not as big as some people might have thought with staff ranging from 3 to 10, giving us an average of 5 staff per salon.

Looking at the average bill it ranged between \$78 and \$170 and hitting a respectful average of \$130 between them.

Out of the 6 salons we asked 5 salon owners had coaching help. That's 83% of salon owners in this group had some form of help.

As we approached the higher numbers we didn't expect to get a massive response but it was enough to show me that there IS HUGE MONEY to be made in your salon.

\$150,000-\$200,000

The Category of \$150,000 - \$200,000 saw some great numbers.

We had 4 salons in this category and they saw a profit range from \$152,000 to \$190,000 with the average salon taking home \$166,000 profit.

The salons had staff ranging from 4 to 6 employees with an average of 5 staff for each salon.

The average bill ranged from \$110 to an impressive \$214 with an average of \$165 per salon.

Out of the 6 salons all had business coaching that's a cool 100%

\$200,000- \$250,000

In the category \$200,00-\$250,000 we had 3 salon owners that took between \$211,00 to \$240,000 with an average of \$233,000 each.

Their average bills ranged from \$118 - \$188 giving us an average of \$152 per salon.

The number of staff ranged from 6 - 10 and each salon had an average of 8 staff between them.

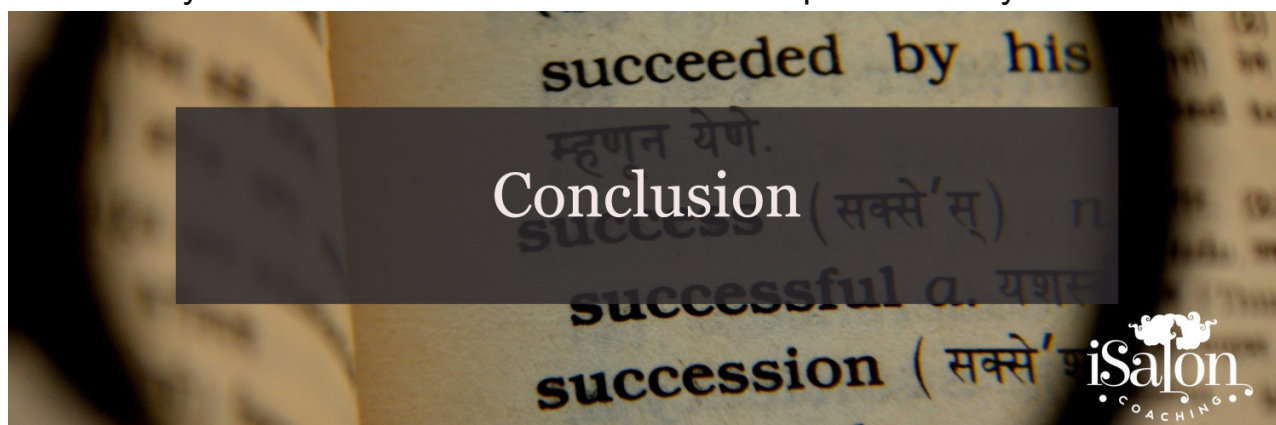
They all have had business coaching, so that 100%

\$250,000+

In the last category we had 1 salon only and they made a massive \$500,000 in profit

The salon in question hits those impressive figures with 9 staff 5 of which are apprentices. The average bill sits at a whopping \$250. They also have had some sort of business coaching, Coaching 100%

This survey was conducted with the intention to prove the myth that salon



owners only produce marginal profit. Too many people believe that being a salon owner is NOT profitable. I have always believed that being a salon owner is rewarding spiritually and financially.

There are not many professions out there where a school drop out (leaving school in year 10 with average exam results) can make a real difference to their lives and many others that they interact with on a daily basis. Being a salon owner is a way to change lives and to change yours. Its legacy building and can change your direction in life.

It is also true while some salon owners make a fortune from their salons around 50% of salons will close within 5 years.

This report turned out to be an eye opener in many ways for me and I hope for you too.

You will see that the biggest earning salons DO NOT have loads of staff. You will notice out of the first category (where most salon owners struggle only 11% had coaching).

I guess it was too expensive for them, as profits are low and cash flow would be very tight.

You will see that in the second category zero salons had coaching, this is where most salons end up.

There is a pattern of salons that are performing and getting MORE MONEY in their pockets have all had coaching.

\$250,000+ 100% had coaching
\$150,000-\$200,000 100% had coaching
\$100,000- \$150,000 83% had coaching
\$60,000- \$100,000 87% had coaching.

What was meant to prove my beliefs turned into an eye opener.

Every salon owner that paid themselves more than \$60,0000 a year 93% had business coaching.

This reads like a sales letter, Richard is a coach and he did a survey and says "hey if you want to do well get a business coach" "he must think we are stupid "

These results are real and true, I am stating this because even I am surprised that so many salons doing this well have been coached.

Some of these salons shared their coaches that helped them reach these results

The salons mentioned above used

Zing coaching

Faye Murray from Your Coach

Richard from iSalon coaching

Nicole from iSalon coaching

I hope you enjoyed this report as much as I did learning to know your salons more, and sharing your private information to me.

I want to thank every single one of you for your generosity and sharing your path, giving back and making other salons reach higher will only make this industry better.

Kudos to you all and I hope your success remains constant and strong

Richard

iSalon Coaching Founder

If you would like to discuss this report further or connect with me to see if coaching is something you might be interested in then email me here Richard@isaloncoaching.com