



# Soak Up The Sun

## *Owning Your Own Spa or Salon Business*

### Part A: Comprehension Reading

Read the following two articles and answer the questions about each. Remember to use full sentence answers with support from what you read.

#### a) Start Your Own Spa Business

From: <http://www.fabjob.com/spaowner.asp> 2010

1 As a spa owner you could own a business that gives you fabulous personal and financial **rewards** every day.

2 You could have the **freedom** and creativity that comes with being your own boss. You could have the **satisfaction** of owning a business that helps people experience more happiness, health, and well-being. You could earn a **profit** and take home up to **\$100,000** or more per year. You could even **enjoy** your own spa's services whenever you want!

3 The word "spa" comes from the Latin expression for **health by water**. While water treatments (also known as hydrotherapy) are offered by many spas, you could also choose to offer a wide variety of other services in your spa business including:

- **Massages**
- Hair styling
- **Manicures and pedicures**
- Makeup application
- **Facials and skin treatments**
- Hair removal
- **Full body treatments** (such as scrubs or wraps)

4 Clients may stay at the spa for anywhere from an hour to several days. Spas that complete their services in a few hours (for a facial or massage) or a single day are known as **day spas**, while spas that operate in conjunction with stay-over or hotel facilities are known as destination or resort spas.

5 By starting your own spa business, you will be joining a **growing industry** that generates over \$11 billion per year in revenue. According to the most recent statistics from the International Spa Association, there were approximately 136 million spa visits made in the U.S. last year, with **60%** of those visits to a day spa.

Questions:

1. List three (3) benefits of owning your own spa from paragraph 2.

i.

ii.

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2. Where does the word “spa” come from?

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3. List three (3) services you would offer at your spa.

i.

ii.

iii.

4. Use paragraph 4 to explain the difference between day spas and resort spas.

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5. How many people visited spas in the US last year?

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6. Why do you think people like to go to spas? Give two reasons.

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## b) Is Owning a Spa a Way To Earn a Healthy Living?

**By Mark Henricks**

APRIL 5, 2006, 4:00 A.M. ET Wall Street Journal Online  
From: <http://online.wsj.com/article/S60405LIFESTYLE.html>

1 During 11 years as a broker serving wealthy South Floridians, Nicole Oden made a lot of money, endured a lot of stress and spent a lot of time in spas getting rid of both. So when she became dissatisfied with the spas in her area, she decided to open her own.

2 In short order, she researched the industry, prepared a business plan, secured a bank loan and in November 2004 opened Spa Eleven, an 11,100-square-foot luxury day spa in Delray Beach. Ms. Oden says the 70-person enterprise generated a modest profit on \$3 million in first-year revenues, and she is investigating two more locations.

3 Running a spa is perhaps the ultimate feel-good business, and spa owners say helping others look better and feel more relaxed is a major benefit of their job. Earning a healthy income in the business, however, is hard work, given the challenges in employee retention and financing.

4 After years of rapid expansion in the field, competition is a significant factor. Most new spa owners find that the margins are slim, and marketing is challenging, according to Laurel Smoke, editor of Salon Today, a business magazine for spa and hair salons based in Lincolnshire, Ill. "It's definitely not an easy way to get rich," Ms. Smoke says.

5 Ms. Oden estimates she logs three times the hours she did as a broker, but says she's "one-eighth as stressed out." One difference, she says, is that now she's dispensing relaxation and pampering to pleasure-seekers, instead of financial advice to demanding investors. "I love the stock market and stocks and all that," she says. "I don't love the thanklessness of what I did."

The International Spa Association, a professional organization in Lexington, Ky., estimates approximately 12,100 spas cater to U.S. consumers. Day spas like Ms. Oden's, where clients come for a few hours of pampering, make up the bulk. Other types include resort and hotel spas where people stay for up to several days, cruise-ship spas, medical and weight-loss spas, and baths, often located near natural springs. Spas provide beauty and relaxation services, including massages, haircuts and facials, and also sell shampoos, bath oils and other personal-care products.

7 About half those who start spas are technicians from the beauty and personal-care industry, including massage therapists and hairstylists, according to Pat Corbett, president of the Erica Miller Spa School, a training facility in 108 Mile Ranch, British Columbia. Other spa owners come from a variety of fields, including a number who, like, Ms. Oden, were exposed to spas first as customers. "The industry is filled with people who have made a change of career," Mr. Corbett says.

8 Some spa owners report making good livings. Ron Lawler, a former stylist and operations executive for a chain of hair salons, opened One Salon & Spa Ltd. in Oak Brook, Ill., in 2004. It started with 12 employees and now has 48. Mr. Lawler says he expects second-year net earnings from the business to equal his former corporate salary. "I thought there was money to be made here," he says.

9 Mr. Lawler says he appreciates not having to travel and be away from his family and also enjoys building relationships with customers. "When a client walks out and says, 'I just feel like butter, I could melt,' then we have done our job," Mr. Lawler says.

Relations with employees can be one of the field's chief challenges, according to Mr. Lawler. Because of the industry's growth --

10 double-digit annual percentage increases for several years, according to the International Spa Association -- stylists, massage therapists and other employees have ample job opportunities.

11 In an industry based on personal service, that's a problem. "The turnover is unbelievable," says Mr. Lawler, who cites 50% annual employee turnover as typical in the field. Mr. Lawler and others say they try to boost retention by interviewing candidates intensively, giving stylists and others ample autonomy and compensating generously, including benefits more typical of large companies.

12 Capital cost is another issue. Many spa owners overspend on décor and equipment, Mr. Corbett says. "There's a race to build the best glass and brass and marble palace, and

that's created financial sustainability problems for a lot of people," he says. Mr. Lawler says generous lease terms offered by spa-equipment vendors have helped him manage financially.

13 Successful spa owners research their markets to learn whether local demand for spa services is unmet, Ms. Smoke says. Analyze the community, she says. "Do they want tanning services, or massages? Do they want seaweed wraps, or just waxing and pedicures?"

14 Not all communities are good choices for \$175 hair-color highlighting or \$350 Botox injections, both treatments available at Spa Eleven. Ms. Oden's affluent customers snap them up with appetite, she says. Their appreciation, she says, is a refreshing change of pace from the brokerage business.

**Questions:**

1. What three (3) things did Ms. Oden do so she could open her own spa?

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2. What is a major benefit of owning a spa?

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3. What is one major hardship of owning a spa?

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4. According to the article, why is operating a spa **not** an easy way to get rich?

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5. How many different types of spas are there? Explain.

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6. According to Mr. Lawler, why are relations with employees one of the fields chief challenges?

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7. How is Mr. Lawler trying to change the 50% turnover rate in the field?

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8. Explain why understanding the local market is important in operating spa. Use paragraphs 13 and 14 to help you give examples.

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