vish

THE ART OF SALON GROWTH

Scaling with Tech: Annastasia Salon

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Luke Huffstutter, owner of three Annastasia Salons, champions innovation and early adoption to facilitate growth and bolster profits for his people and rapidly growing business.

Over three years ago, Luke used color management and data to reimagine Annastasia service pricing, inventory management, and staff retention to drive an initial 23% increase in hair color service revenue. This new technology Huffstutter has since called his 'systems fixer,' has increased sales by one million dollars per year between 2020 and 2022, with a projection to reach similar sales come 2023 year end. This growth has resulted in higher take-home for the stylist, better client retention, and more profit for the group.

Luke Huffstutter
Owner of three Annastasia Salon locations

LOCATIONS: 3

EMPLOYEES: 61

SERVICE PROVIDERS: 77

AVERAGE TICKET PRICE: $128.11

PRIMARY HAIR COLOR LINES:
L'OREAL PROFESSIONAL + REDKEN

WEEKLY BACK BAR BUDGET:
5% OF THE PREVIOUS WEEK'S SALES

TECH/POS PARTNER: PHOREST

COLOR MANAGEMENT PARTNER: VISH

ASSOCIATIONS/AFFILIATIONS: SUMMIT SALON, PPD, SALONCENTRIC

Annastasia Salon strategically tracks all their professional inventory, and with Vish, can create inventory forecasts based on actual color usage.

Building Team Buy-In

THE FUTURE IS TECH SAVVY

The next generation of service providers is embracing new technology and looking at ways that they can leverage innovative tools to make their day easier and more streamlined as they grow their career. There are many reasons as a salon owner that Luke continues to use Vish, but the paramount callouts he echoes for his service providers are:

Pricing: They now have an easier, systematized way for the service provider to talk about prices with guests. It takes all the emotion out of the exchange.

Time Saver: It takes work away from the stylist. They don't have to write the formula down or worry about recording any adjustments.

Accuracy: There are now all these tools and extra features right at the color bar to help formulate for them.
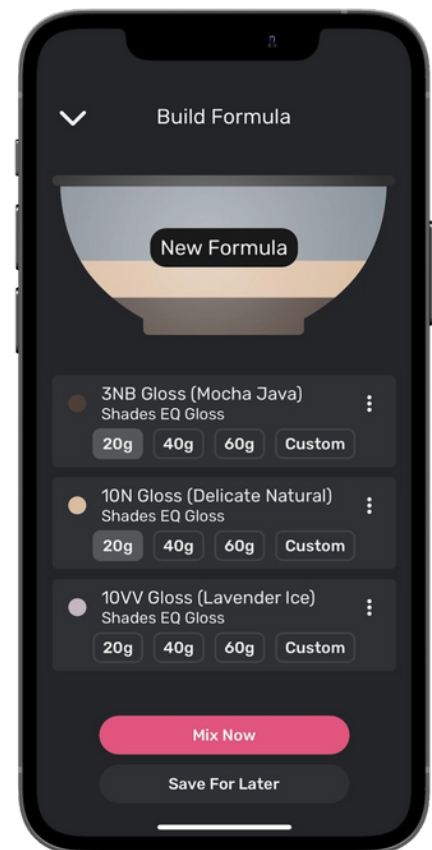
CREATING ATOMIC HABITS

Implementing change management in any environment can be difficult, especially for a rapidly growing company in an industry of self-diagnosed technophobes. "The initial pushback is *'It's taking me more time to do my formulas because I don't know how to use the system,'* and *'It's taking more time away from my client,'*" Luke says. "This can create a pattern around *'I'm just not going to use it then,'* but these challenges that we ran into early on actually ended up providing us with teachable moments and allowed us the chance to work with those employees on a deeper level."

In the same vein, when Luke's phone rings and other owners ask him for advice on the system, he instantly says: "**Vish advice? You have to do it. Not doing it isn't an option.** With that being said, your messaging to your team has to be transparent about how it's going to affect them."

Any new tool, process, or system that has a learning curve can be difficult to implement but when the staff understands what's in it for them, it makes a profound impact on the success of any implementation.

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>
> **— Luke Huffstutter**

SO, WHAT *IS* IN IT FOR THEM?

"Vish is good for the stylist because it allows them to express their creativity at the color bar. We can all empathize with how frustrating it is when you have a complicated color to mix and you don't have what you need," says Luke. "Once we implemented the system, sometimes we went several months without missing a product on the back bar because we were reducing our waste, which allowed our budget to go further and for our team to have more product available to them."

"And secondly, their guests love it. When they see the bowl is empty at the end of the service, they don't feel like they're paying for something that wasn't used on them. The transparency of the custom charge based on accuracy rather than an arbitrary additional fee builds trust and loyalty. Guests are happier with the outcome at the front desk and in the long run that's what makes the stylists happier, too" urges Luke.

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>
> **— Luke Huffstutter**

RECRUITING YOUR TEAM

Cultivate a team of change champions. This is a group of three to five stylists who you would consider early adopters. They are the employees who will champion the implementation of new processes and systems in the salon. They are the ones who are going to stand up for change when doubt is posed in a room full of laggards.

Let's Talk Tickets

INCREASING SERVICE TICKETS

When we talk about stylist buy-in, creativity, and stylist-client culture are important, but for many stylists seeking career growth in the industry, commission is the cornerstone.

"We saw a notable growth in our year-over-year average ticket, which was very impactful for our growth over 2021 and 2022. We've grown in revenue by one million dollars each year since 2021," says Luke. "And since then, the average ticket price has continued to increase, not only due to yearly price increases but also because stylists are charging correctly thanks to Vish. The initial hike was certainly notable as we got the team on board with the system."

From 2019 to 2023, Annastasia's average ticket price has increased by a substantial 26%, with the average color ticket now sitting at $128. Imagine all of the add-on toners, treatments, colors, extra product charges, and other services that often walk out of the door uncaptured. As that revenue begins to show up within a matter of weeks and then compound over several years, the subsequent growth is inevitable.

SO *HOW* DID HE DO IT?

Through implementing extra product charges on guest tickets, Luke is able to extract additional profits, but also avenues for growth. "I love the front desk dashboard that I have access to. I click the button that says 'Show extra product charges only.' From there I check to see what was noted in Vish vs. what was actually charged at checkout and if there's a difference in what was used in Vish versus what was charged, it creates a big coaching opportunity for our staff," says Luke.

The rise of Instagram hair trends and elaborate color transformations requested by guests who don't often realize the time and product necessary to achieve the look has become the norm. With this, gone are the days of all-inclusive pricing that accurately reflects the standard amount of product that is used compared to the product allocated within the service. The extra product charge has now become paramount to ensuring that the stylist and the salon are capturing revenue on all color dispensed. **During 2023 alone, Annastasia will capture $256,152 in additional product charges, proving that every gram counts.**
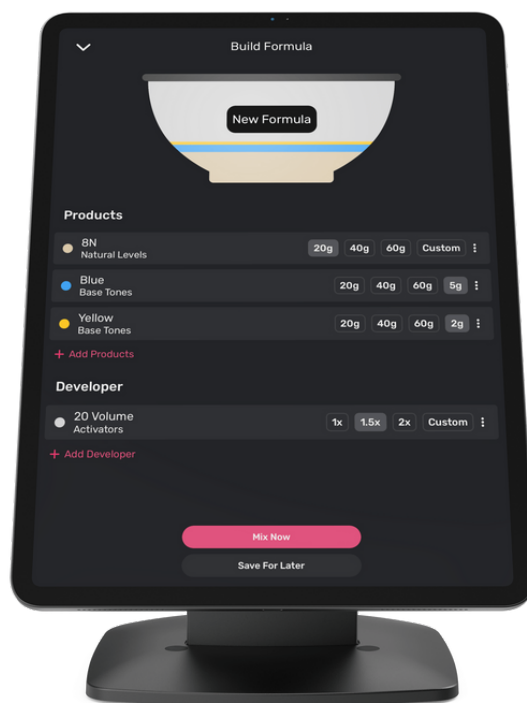
Three years in, here are some stats since Annastasia launched Vish:

- The average cost per application has decreased by **2.48 to $6.29%**
- The average color ticket price has grown **26% since 2019**
- Staff income has increased by **11% during 2023** alone
- Hourly stylist wage has increased by **2.4%** since 2021
- In 2023 the salons will collect **$256,152** in net new revenue, by capturing extra product charges with Vish

Coaching With Powerful Data

AUDITING WITH A GROWTH MINDSET

Coaching opportunities can be pivotal to an owner understanding what's happening with their service providers during the consultation process, behind the chair, and their career objectives to help facilitate growth. "As a summit coach, I have the opportunity to help my stylists change their income and their growth opportunities by reviewing their usage data and catching the missed services early on. **When we do audits, I focus on the lower levels because it allows me to have a real conversation with them which ultimately helps them earn a better living faster**," Luke emphasizes.

THE NUMBERS DON'T LIE: THREE TIPS ON COACHING

Luke's tips to leverage coaching through Vish boil down to three important takeaways:

1 Average Ticket

Leveraging a growth mindset helps lead the conversation around the average ticket. When Luke drills into the data he is looking at the build of the ticket including core colors, and add-ons. From there, he can identify if there is a missing piece that the service provider needs to focus on to continue to grow their average ticket.

"The average ticket is a very important piece in the service provider's ability to grow. In the average ticket discussion, service providers can break that down into what services they are offering their guests and how they are offering them to show what's available," says Luke. "Once customers know what's available, they are happy to spend more money to create the looks that they really want to achieve."

2 Charging Correctly

It is seldom that service providers are charging accurately for services completed, and with 50+ hairdressers on staff it can be easy for some to fly under the radar. So how can owners and leaders help bridge the gap? "The audit will tell the story of the service being performed versus what is charged and sometimes there is a huge gap," says Luke.

Not only does this provide a teachable moment for the service provider but it also identifies an opportunity to look inward at the business. "When I notice these discrepancies, I'm also trying to identify if we need to increase the cost to services that cost us the most money and also to evaluate if we are being strategic about our price increases to boost profitability from all services," says Luke.

3 Understanding Your Charges

Helping the service provider understand how to build their prices and communicate that back to the client is the first place to start. "Building a quote and giving the client a range of the cost has been very helpful for our team," says Luke. "Posing the conversation as 'Based on the consult of a partial-highlight, full toner, and treatment, the price is going to fall within X range, how does that feel to you?' and continuing the appointment from there gives them the permission they need to not only charge correctly but also to charge their worth."
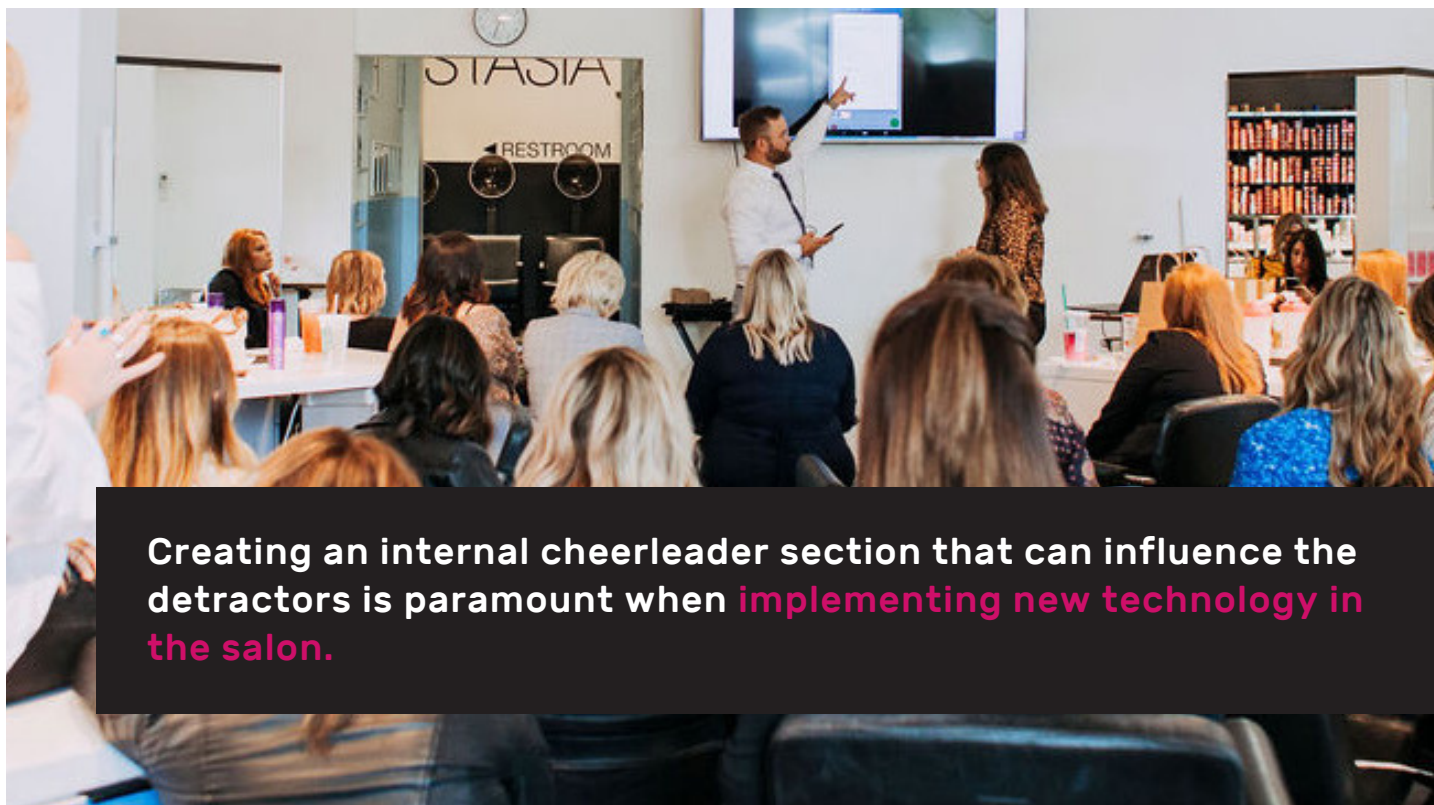
Creating an internal cheerleader section that can influence the detractors is paramount when **implementing new technology in the salon.**

Scale Smarter With Tech

COLOR DATA SPEAKS VOLUMES

Vish reports make it easy to look at each of our services and see exactly what they are costing, down the amount of product used by each brand. From there we can work towards strategies to rectify any pricing or profit margin missteps," says Luke. The product usage reports also provide valuable insights into seasonal trends. "Quarterly, we look at the trends to ensure our min-max for ordering is as accurate as possible. This gives us insight into the color we are using the most and what to expect for the season ahead."

> **"As an owner who really believes in coaching my team and helping them, having the factual data in Vish is huge to supporting them in creating the life they want."**
>
> **— Luke Huffstutter**

THIRD LOCATION BLISS

When it came to opening the third Annastasia location, there was no question about getting tech implemented into the salon, "We just turned it on" Luke says. "When we opened our third location, we brought in staff from other locations, so the team had already been using Vish. They were Vish users before and now they are Vish users in the new location. All of our appointment data, service, and product information were set up and ready for use. It's that simple and scalable. When we bring in new talent through our Associate Program they're trained in Vish, so when they get on the floor, they're ready to go."

THE SKY'S THE LIMIT

Over the past five years, the value of Annastasia's shares has increased tenfold as sales and profits have skyrocketed. Vish has been instrumental to that growth, helping Luke secure guaranteed profit from every service, control inventory, and keep costs down. But so, too, has the group's robust talent development and its' leadership strategy. For the rapidly growing company, the sky's the limit.