

CASE STUDY

PROGRESS, NOT PERFECTION

Measures of Success: Annastasia Salons



Contents

Growth Engines and Indicators	4
Managing Expectations, Staying Transparent	
Salon Snapshot	
Introducing Color Management: Why Now?	6
Circling Back to Team Buy-In	7
Looking Ahead: More Progress and Growth Opportunities	<u></u> 9
Game-Changing Confidence, Winning Results	10

Luke Huffstutter, owner of two color-strong **Annastasia Salons**, works carefully to manage expectations for change and growth—then steadily, strategically helps stylists learn systems to exceed them.

In 2021, Huffstutter used color management and color data to reimagine Annastasia service pricing, inventory management, and staff retention to drive a 23% increase in hair color service revenue, thanks to introducing a new system he now calls a game changer. **Keep reading to learn how he did it.**

Luke Huffstutter believes in being coachable.

The first year I owned the

Annastasia Salons business—
purchased in 2006, based in the
suburbs of Portland, Oregon—I got
a Summit Salon business coach.
Eventually, I became a facilitator
myself, coaching other salons."

Luke Huffstutter

Huffstutter recently stepped away from that role to focus on his family and growing the salons. But he stays connected and keeps learning.

Not a licensed hairdresser himself, he grew up in and around the distribution side of the business. He's a true believer in leveraging salon data to strategically initiate new systems and generate measurable results.



Luke HuffstutterOwner of two Annastasia Salons



"

We are training a lot more staff, so we are going to grow. At this pace, in a year and a half, we'll run out of stations. Then I can buy our next location."

Luke Huffstutter

Growth Engines and Indicators

So far, it's working for him.

Annastasia has grown so strong in hair color that in the larger of his two locations, Huffstutter happens to know "we keep in stock more L'Oréal product than the nearby SalonCentric store. We maintain \$15,000 in color on our shelves, at our costs."

That's a lot of color. Annastasia Salons stocks a lot of professional product, with an enviable retail business, too—as one of L'Oréal's top 100 salons for five years in a row. But is business strong enough to **keep growing**?

Huffstutter says yes. "We just did some updates on our second location and will be doing a major remodel on the first," he says. "That's one indicator that reflects **business remains good.**"

Another way he **forecasts growth** is to look at how many of the team are involved in the salon's 'Associates' program.

"Associates are our new, growing talent," he explains. "They are paired with a more senior service provider on our team as their trainer, and they work together. A year ago, we had three associates and trainers, and at the end of this year, we'll have tripled, to nine, which is more trainers than we've ever had before."

Managing Expectations, Staying Transparent

About those associates: There's a **new generation of service providers** who expect
to have a great career and live a great life,
Huffstutter notes. "I'm interested in bringing to
life **solutions and systems** that will meet those
expectations."

Technology is one interesting way to spur that greatness, he says. "But I'm surprised by how much **push-back I still get from stylists of all ages about new systems."**

First, the pushback is, "you are wasting my time with my client," Huffstutter says. "When we owners try to add something to the salon routine, service providers are worried about running behind. They're going to skip that thing, no matter how much of a benefit is promised."

Second? It's a **human thing**. Any new tool, process, or system that has a learning curve is difficult to implement.

"It can absolutely be a great, smart, problem solver, but **if there is no buy-in from the team**, it won't succeed," he says. "**Unhappy staff don't create growth**. They end up leaving. I have to watch what I introduce, and how and when to do it."

Being transparent and articulating what's in it for them makes a profound impact on the success of any implementation.



Annastasia Salons track all their professional inventory strategically and, with Vish, can create inventory forecasts based on actual usage.

Salon Snapshot:

EMPLOYEES:	60 total
SERVICE PROVIDERS:	43
AVERAGE TICKET:	\$119
PRIMARY HAIR COLOR LINES:	L'Oréal Professional + Pulp Riot
COLOR INVENTORY ON SALON SHELVES:	\$15,000 at salon cost
STAFF MAKING \$100,000 INCOME:	15 Percent
WEEKLY BACKBAR ORDER/BUDGET:	ore or and providuo
TECH/POS PARTNER:	Phorest
COLOR MANAGEMENT PARTNER:	Vish
ASSOCIATIONS/ AFFILIATIONS:	Summit

Introducing Color Management: Why Now?

For being so solutions-focused, Annastasia Salons was a bit slower than many of his datadriven salon peers to add a technology-based color management system. He soft-launched Vish in October 2020 and fully launched in January 2021. Here's why:

"I always knew there would be some positive results, that color management was important and could make a difference at our salons. but honestly, until recently, I didn't think the technology was good enough. I looked at a lot of different systems very early. I found them to be clunky and sensed that the staff would hate it. So. I waited."

And he kept doing research.

With Vish, I saw a solution that would benefit the salon, stylists and clients."

Luke Huffstutter

"I also saw that the integration with my POS, Phorest, would be beneficial. The Vish design and feel were more user friendly, more intuitive. It became a no-brainer."

"And then I implemented it really poorly," he says. "Most of my staff freaked out, so I listened, pulled back and delayed the go-live date. That happened twice. Asking them to tackle a new learning curve in the middle of a pandemic brought its own challenges".

"I didn't know what I didn't know. I circled back and talked to the support team at Vish more closely, and together we came up with more strategies to support our stylists. We got it right."

Less than a year later, the results speak for themselves.

"We keep getting smarter since we've started fully using Vish, in ways we hadn't even imagined," he says. "We've definitely seen new efficiencies in inventory management. We actually keep more color in stock, on the shelf, because we are using less color overall, and being smarter with the color we do use."

How smart, exactly?

Here are some stats since Annastasia launched Vish:

- 29% reduction in product charges per service.
- 23% increase in color service revenue.
- Extra revenue from accurately capturing and allocating product charges.

For Annastasia's high-volume color business, that last bullet-new

\$75,449 straight to the bottom line.





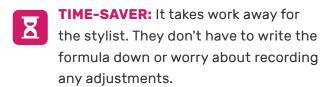
Circling Back to Team Buy-In

None of those powerful results would have happened without patiently, steadily nudging Annastasia's stylists to embrace the color management learning curve.

There are many reasons as a salon owner, Luke chose to introduce Vish, but the ones he highlights for his service providers are:

豐

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.





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

"

Vish does so much stuff for the stylist if they are willing. The benefits are right there at their fingertips."

Luke Huffstutter

To move service providers forward to using those tools, Huffstutter taps into all the training and guidance Vish provides, and focuses on an internal management practice he calls **making progress**, **not perfection**.

"Once we have the basics established—for **Vish**, the basic minimum is getting everyone to weigh their color bowls before the process, then reweigh after—we use all the data and tools at our disposal as managers to look for ways to better our bet," Huffstutter says.

Vish provides great dashboard and great data, so it's easy to identify people on the salon team who are struggling or don't quite match what the rest of the salon is doing. "So, we sit down with them and get really inquisitive," he says.

"It's not about judgment, calling out team members or tech shaming. We want to help them go beyond their best numbers—best week, best month—so they can make more money, save more time. We break it down into small things, simple changes in behavior, one goal at a time. **Progress, not perfection.**"



Vish generates your formula for you using the measurements from the scale.

HERE ARE SOME TRIGGERS HUFFSTUTTER LOOKS FOR AND POINTS OUT TO STYLISTS TO HELP THEM SEE WHERE THEY CAN MAKE PROGRESS:

- When we see the average color ticket goes up, but the desk count doesn't. If the service provider is using Vish consistently and completely, the desk count will go up as well, because the stylist will be charging correctly all the time.
- When we notice valuable Vish tools or features the stylist hasn't been using. Then we do a one-on-one demo. Vish has great tutorials that show stylists how each button and the entire system is designed to really make their life easier. And taking the time to walk through a real-life experience and their own formulating works really well.
- When a guest comments because they notice their stylist scraping out all the last bits of color to use on their hair: "Wow, how did you get that formula so perfect?" When this happens—and it does—the stylist knows the guest is seeing what they're doing, seeing the stylist as a precise professional who is not wasting product or their money. The big 'aha' here for stylists is they realize what they are doing with color management has an impact on their customer's experience.

Huffstutter says the front-of-house team benefits from Vish, too. "Vish sends the service pricing notice or integration into my POS software—we use Phorest—as an alert to the Vish app on the front desk terminal. It works really well—the process is automated, and the front desk team doesn't have to go searching for a ticket or confirm with the stylist."

Looking Ahead: More Progress and Growth Opportunities

Huffstutter keeps looking for ways to better the salon and make improvements.

He has been able to use the data from Vish to reevaluate the salon services and how they're priced, to make sure they're charging appropriately.

"Vish reports make it easy to look at each of our services, see exactly what it is costing, down to the amount of product used and the brand, and then we can put in strategies to start rectifying any pricing or profit margin missteps," Huffstutter says. These reports alerted him to the fact that they had Pulp Riot fashion color services under dimensional color within the service pricing menu, which he was able to quickly correct by creating a new service entry for Pulp Riot fashion colors.



What's in it for the stylist?

Huffstutter says, "in the past, I had some stylists who avoided doing fashion colors because it took a lot of time and the way we had priced it, they were being overworked and underpaid. Now that conversation and resistance has gone away. Now our service providers want to work with Pulp Riot fashion colors and the client who is interested in that look is getting more support, more options. Triple win."

Game-Changing Confidence, Winning Results

Huffstutter says the key takeaway for him-beyond and because of the data-is confidence.

What I'm able to accomplish as coach and leader of my team is now based on the fact that we actually know what is going on with our color business."

Luke Huffstutter

Vish removes the fear and the drama. "Because the formula is measured, because the prices of our color services are tied to the actual amount of product used, there aren't any gray areas. The information goes straight to the front desk. If there is a client complaint, I can pull the formula up and pull the ticket up. It's there in black and white, exactly what color formula was mixed, how much of it, and what was charged and why."

Vish helps me and my salon teams create sustainable changes to our business. "We haven't been able to be that transparent and confident in the past because we didn't have that data."

Vish is a game-changer and retention driver.

"I've been able to have really good staff retention—15% of my staff makes over \$100,000 per year and they are staying with us-and that's because they know we are helping them be successful."

"Our commitment to progress, not perfection creates a better cultural dynamic. We are all working alongside each other trying to get ahead. I ask them to learn a new system, but I expect to keep growing, too. And there's lots for me to continue to learn. I'll stay coachable."

WITH LUKE'S DEDICATION TO HIS TEAM, THEY HAVE BEEN AWARDED THE FOLLOWING:

- 1 2019 Salon Today Salon of Distinction design award
- 2018 Salon Today 200 in Growth and Leadership;
- L'Oréal Professional Top 100 Salon, previous five years.

annastasias.com

@annastasiasalonportland

