

# SUSTAINABLE MEASURES

MANAGE HAIR COLOR WASTE, GROW PROFITS, PROTECT THE PLANET

*+SOZO: A SALON CASE STUDY*



*vish*

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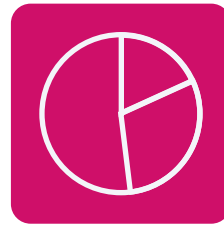
# Introduction

## Managing Hair Color Waste Matters More Than Ever

*Salons are leaning into color management.* As owners continue to power through capacity limits and ongoing business changes, they realize there's never been a more important time to minimize waste and prioritize, conserve, and optimize hair color profits.

Hair color is the number one revenue and profit driver for most leading salons. Any dollar saved by **effectively managing color use to reduce waste** drops to the bottom line or can be invested back into sustaining and growing the salon.

Another reason a **color management system makes business sense?** It's timely. Protecting profitability syncs up organically with protecting the planet. Salons that reduce color waste are aligning with growing eco-conscience values, driving loyalty among customers and team members who see being "green" as essential to their business and personal choices.



**SALONS WASTE  
25-40%**  
of their total  
color inventory

The same stats also indicate **wildly varying costs of product per service**, ranging from **\$3 to \$18**. This means some salons are using and absorbing the costs of up to six times more hair color product than competitors, eroding profitability.

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**Protecting profitability  
syncs up organically with  
protecting the planet.**

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Yet, between overmixing and over-applying color, **salons consistently waste as much as 25-40%** of their total color inventory, according to data gathered over the past two years and from thousands of salon color formulations.

**Do you know which side of the color profit scales your salon is on, and are you ready to take steps to improve?**

This white paper report presented by color management system Vish helps uncover paths to profitability and help you:

- **Identify:** Extravagant Color Behaviors
- **Discover:** Profit-Driving Color Management Strategies
- **Explore Results:** One Salon's Profitability Case Study

**KEY TAKEAWAY:** Managing color waste is an essential salon business practice that drives sustainability in multiple ways: cutting expenses, generating new revenue opportunities, and aligning with core earth-friendly or "green" values.

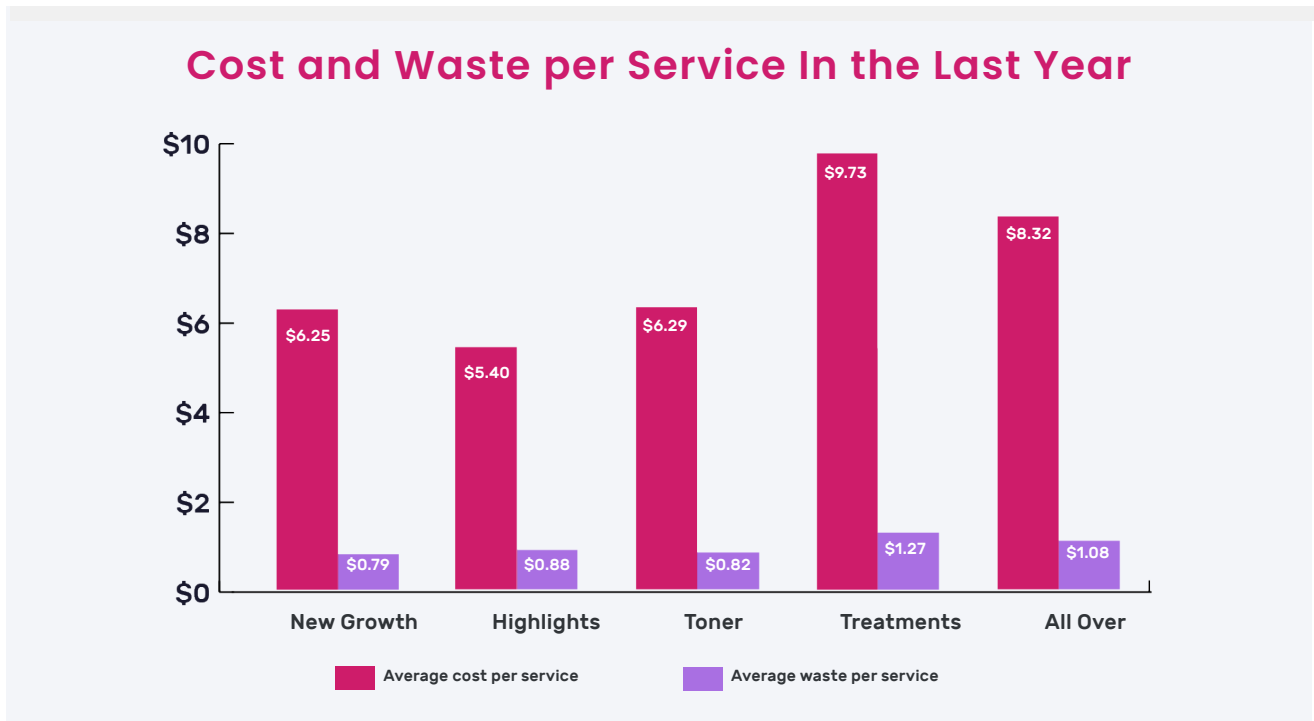
**SALON OPPORTUNITY:** As salons reopened with heightened business vigilance through the COVID crisis, owners and leaders were compelled to be aggressive and find ways to **reduce waste** and cut expenses. Those who **honed in on color management** and adopted an actual system to ensure their stylists use **the right amount of color every time** not only cut waste, they discovered metrics, benchmarks, and pricing intelligence to help sustain and grow color profits.

**SALON STAT:** 15% of hair color revenue disappears because incremental services never get added to the ticket.



**On average, a salon will waste two out of five tubes of color.**

## PART 1: Identify Extravagant Color Behaviors



**Two common ways stylists waste hair color are:**

**Overmixing:** “better to have too much (and throw some out) than not enough and have to go back to the color bar,” is the philosophy.

**Over-applying:** over-saturating the hair with whatever is left in the color bowl (tougher to measure and manage, because there is nothing left to reweigh). However, comparing your stylists with each other within the category will show who is using too much.

Both practices can choke color profits and have a negative impact on color efficiency and profits. Here’s how:

**Overmixing happens most often at two points in a stylist-guest relationship:**



The first time a new formula or service develops.



Whenever stylists decide they need to mix a second bowl or want to add something extra to the application.

In a **first-time service** scenario, it is difficult for a salon professional to gauge exactly how much color the application will require. The stylist “eyeballs” it or defaults to a subjective standard amount.

“There is a **natural tendency to round up or aim high, especially when neither the stylist nor the guest is held accountable** for the amount of color product used,” says Vish Chief Innovation Officer **Tim Howard**, a colorist and former salon owner himself. In an effort to save time or hassle of running out of formula, the stylist guesstimates generously.

Without a color management system in place, when there is leftover color in the bowl that goes down the sink or into a bucket, there is no process or incentive to right-size the formula for the next appointment.

**Second bowl** habits are also a frequent culprit in excessive color waste. The stylist decides they need more color to complete an application or want to add a toner or gloss. They mix the second bowl to their default standard, and often a lot of color is left over.

This further **drains profits beyond the obvious cost of the wasted product.** Without a system for measuring precisely the amount of color used, stylists often **forget to communicate to the front desk or point of sale the “add-on” billable service of an extra gloss, toner, or pop of a few highlights.** The salon leaves significant money on the table—and down the drain.

**Over-applying** is the other common, wasteful practice, often a coping mechanism among stylists, Howard says. Some will simply “use up” whatever is in the bowl, saturating hair or reapplying beyond what is actually needed to deliver the desired color result.

Over-applying can be a crutch for stylists who don’t want to appear wasteful. They feel better putting it on the hair versus throwing it away, even if the color applied is unnecessary or excessive. Others may just be unaware they are over-applying or insecure in their mixing and applying technique.



**There is a natural tendency to round up or aim high, especially when neither the stylist nor the guest is held accountable for the amount of color product used.**

**Tim Howard**

Vish Chief Innovation Officer

**Imagine the power of being able to easily measure and positively benchmark and share color usage data among stylists throughout the salon.** If you can pinpoint that one stylist is using double the amount of color than the next, there’s an opportunity to help the stylist become more efficient. Adding an extra money piece just because it’s mixed doesn’t make for the optimal results or most profitable outcome.

Through education, stylists can compare and refine their technique (and reduce waste).

**SALON STAT:** On average, Vish salons waste \$0.97 in color per service, with Treatments generating the most waste at \$1.27 average per service.

VISH SALONS WASTE  
**\$0.97**  
in color services





## PART 2: Evaluate Opportunities for Improvement

Ultimately, overcoming the complexities of color waste and excessive usage habits can be quite simple. When a salon uses an artist-friendly color management system like Vish to track and communicate the exact amount of hair color product mixed and applied—and consistently reweighs the color bowl after each service to automatically adjust future formulations—everything syncs to **address waste obstacles and drive profitability.**

While Vish was originally created to solve hair color waste challenges, it also ultimately helps salons:

- 1 price hair color services accurately
- 2 charge for the service actually delivered by the provider

Too often, a salon service expands beyond what was originally booked online or discussed at consultation, but the ticket doesn't get updated with the incremental toner(s) or gloss a stylist includes, or the additional product needed to color correct or cover up a guest's extra regrowth. Salons unintentionally give away valuable color products and services, cutting into profits. You may even discover they are accidentally giving away potential revenue, too.

*Note: For more details on effective color pricing strategies, [see previous Vish reports](#), and watch for the next Vish White Paper and Salon Case Study on Color Pricing.*

### Evaluate Usage, Set Goals

After the team learns and the salon begins using the Vish color management system, the dashboard calculates in real-time each stylist's:

- number of services
- color usage
- color waste
- product cost per service
- reweigh percentage

### Next Step?

Success starts and evolves from establishing and automating the reweigh behavior—making sure each stylist commits to simply returning to the digital scale **after each application** is complete to reweigh the bowl to automatically record how much product was actually used and what is left over. That's it.

Then, **knowledge becomes power** - and profit. The Vish system ensures the color formula is calculated at the proper, lesser product amount for the next time the guest returns. Efficiency and savings are automatic.

This is why **reweighing is the first and most important metric in color management**. If a salon prioritizes and each stylist commits to achieving a **95% reweigh target**, every other key performance indicator automatically improves:



Product use per application goes down



Overall salon color inventory expense goes down

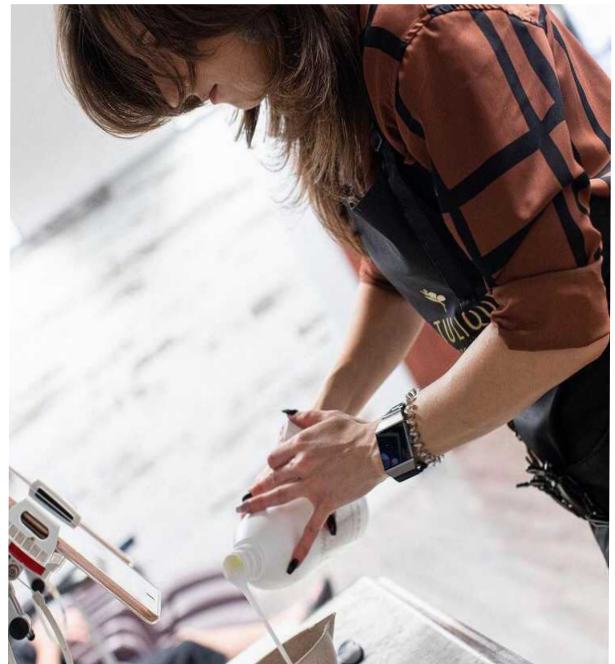


Profitability goes up!

When all stylists focus on the reweigh, the entire salon can **celebrate results across the color business**. As the first priority reweigh goal is achieved, other KPIs and benchmarks, including **waste per application** and **overall salon color waste** percentage, will plummet naturally, without extra effort. Those numbers translate easily to understandable "wins" throughout the salon, and it all tracks back to the successful shift in **reweigh behavior**.

**SALON FACT:** Knowing exactly what each stylist in the salon uses on every service gives management the ability to accurately predict future profits, ensure inventory is correctly stocked, and enhance business success.

**DATA REVEAL:** Vish pulls apart all of the salon's hair color services to reveal which stylists and services are most (and least) profitable, who uses the least (and most) color per service, and translates that data to help coach and educate the staff.



Head Case Hair Studio



## Crossing Thresholds

By the 90-day mark, with successful reweighing habits in motion, a salon's waste metrics should have lowered. **Product usage allowances and defaults** can now be set, based on the salon's average, reweighed costs per service. These new metrics set a framework to:

- 1** Identify stylists who are overapplying product and might need coaching or education.
- 2** Start building a uniform profit margin for all services, if the salon is ready for that model **Vish recommends** that salons strive for better margins across all services, and to make every service **equally profitable, ideally at a 50% margin.**

As reweighing targets are met, salon management can go further to identify exactly how profitable each color service is for the salon overall and per stylist, based on current pricing and product fees, and make adjustments, with hands-on guidance from Vish, if desired.

**Here's how it works:** Product allowances are set for key services. The stylist knows for a new regrowth service or toner, there is a set amount of product included. If they need to exceed it because the guest needs more color product for any reason—extra gray coverage or color correction due to appointment stretching, for instance—the system automatically triggers incremental charges.

Now, instead of eroding profitability, the salon has actually enhanced it. As part of the process, the salon team has been coached on how to have a very easy conversation with the customer, to explain why the price went up, the incremental cost is transparent. The guest understands, the pressure is off the stylist, and the bottom line is protected.

Vish CEO Joshua Howard says the results of moving to a standardized gross profit margin can be life-changing for salons. He has seen numerous 8-10 chair salons put \$60-100,000 on the bottom line using Vish technology. He's happy to walk any salon owner through the process of setting prices and product allowance thresholds in the system to guarantee a 50% margin. (See [Salon Profit Case Study](#) at the end of this paper for an example of what happened when one salon went all-in with the Vish system and recommendations.)

**Bottom line?** The right color management system will help salons with pricing color services, track stylists' progress in reducing waste, and ensure more efficient formulas, all without ever getting in the way of the creative process.

## PART 3: Eliminating Salon Waste Drives Profit

### CASE STUDY: Sozo Hair, Spa and Wigs

Some salons fully grasp the benefits of the Vish color management system and run with it. **Sozo Hair, Spa and Wigs** co-owner and colorist **Karen Welch** saw opportunity—and impressive results—immediately after launch.

Salon-wide, **Sozo slashed color waste from \$1.58 per application** in May 2020 to a **\$0.54 average** in eight months, with Welch's own "**waste warrior**" number **down to a mere \$0.35 cents in product waste per application**. The salon's reweigh percentage moved from 68% after 30 days to 99% now. Welch started at 90% and now hits 100% reweigh, consistently.



Karen Welch, Owner of Sozo Hair Salon, Spa and Wigs

### Power, Savings, Profits

Welch has co-owned **Sozo** in West Chester, Ohio, with husband Mark Welch for 21 years, and have been in its current location for the past seven. They are a strong color salon, using **Wella** and **Rusk**, with 13 employees, nine of whom are commission-based stylists. "Upscale but not uptight," is how she describes the salon clientele. "We have young designers and veteran stylists on board."

Welch says she saw the power of Vish right away, during the first review of the **monthly Insights report** the system generates. "It was an eye-opener," she says. "I do mostly retouches, seeing the same clients every 4-5 weeks. A former brand educator, I was already careful and confident that I didn't overmix or overapply. I use a bottle, which can create more waste, but was still **averaging only \$3.69 in total product cost per service** at the beginning of our Vish launch," which officially began in May 2020, upon reopening after the COVID-19 shutdown. Within the year, she cut her personal cost per service rate by almost half, to **\$1.91 per service**.

Her personal waste per service metric improved even more dramatically, down 326% to \$0.35. The entire salon downsized total color waste from a \$460 expense per month in May 2020 down to \$112 in January 2021, a savings of 75%. She's a whole-hearted believer in using Vish to manage expenses and drive profitability.

"I would have added Vish earlier, but I'm just glad I found out about it when I did, from our



**Hair color is one of our biggest expenses, right behind payroll and our mortgage, and without Vish, we would not be recovering as well as we have been. It has been a game-changer for us.**

**Karen Welch**

Co-Owner and Colorist at Sozo Hair, Spa and Wigs

Inspiring Champions coach," Welch says. She says Vish has made a huge difference with all Sozo stylists, in reducing color waste and adding incremental color revenue, especially for all the balayage, ombre and toner-heavy services her associates specialize in.

## How They Made It Work

What drives Sozo's success with Vish? "We follow exactly what Josh and Tim suggest," Welch explains. Josh Howard is CEO and Tim Howard is CIO, and both engage directly with salons to help them grow.

"Of our nine stylists, all but three reweigh at 100%," Welch says proudly, but not quite satisfied. "Two of those three are at 97% and I'm working with the other one."

Sozo also used their 90-day data to establish **product allowance thresholds** per service and has their system set up to automatically communicate from the color scale to front desk to upgrade color tickets as needed. All color services—and incremental color product sales—are **priced to generate a 50% profit margin**.

"One of our balayage and toner-heavy designers had a **\$10.13 average product cost per service** in January—really high for us—but also had **\$341.21** in product charges we passed along to clients. We would have eaten that expense in the past and lost the revenue. Overall, Sozo had more than \$1,000 in extra revenue generated through the Vish extra product charge feature in January.

## Professional, Precise

Clients are informed and understand **why they may have an additional color charge.**



**We now weigh our color and with your hair density and length, or specific service, we may have to use extra product, but we only charge you for exactly what we use.**

**Karen Welch**

Co-Owner and Colorist at Sozo Hair, Spa and Wigs

Welch again followed what Vish advises: **doubling the cost of color like a retail item.** "We now run the cost of color as a true business and its own profit center," Welch says. "We educated our staff and they understand that **all of these steps are to help us all be more accountable.** They are very good about embracing all of it.

We weren't expecting perfection from day one, but Vish has been brilliant, all the way back to the first meeting, just making sure everyone reweighed and paid attention to how much color they were mixing. So much waste and not necessary at all. As long as you reweigh your bowl after applying your formula, Vish will always guide you and tell you exactly how much you need for that client."

Welch has already recommended Vish to a couple of salons in her general area and plans to connect quarterly to review color management progress and brainstorm new opportunities.

"It's a no-brainer decision for salon owners," she says. "It's not hard to use at all. Most people are more tech-savvy or tech-interested than me. I just believe this system and the extra savings and profitability it delivers can save so many salons.

**"Vish helps our team realize how profitable (or not) different color services are with a traditional pricing and formulation. We may want to do fun colors and interesting techniques, but the money makers are our loyal, dependable clients with roots. Ombre and balayage services don't need as much maintenance and can take a lot more time, effort, and sometimes product. Vish takes the emotion and subjectivity out of how we price and manage our profitability."**

