

# FROM SOLOPRENEUR TO entrepreneur!

## Q & A INTERVIEW

**SPA OWNER KIM KNAPP BEGAN** her journey as a solopreneur, and quickly began building her business and her team to become a true entrepreneur. She now has a beautiful 3,000 square foot spa with over 36 employees!

**Q:** Why did you choose a career in esthetics?

**A:** I have always been drawn to beauty and wellness—the field of esthetics merges the two perfectly. I love connecting with people through touch.

**Q:** Kim, can you share with us how you got started?

**A:** Early on—at age 19—my cosmetologist's license gave me the opportunity to either become a hair colorist or an esthetician. The day I finished beauty school, I arranged interviews for apprenticeships with two owners—one from a hair salon and one from a skin clinic. Whoever offered me the job would determine my career path. I was immediately hired by a skin care clinic owned by three women from Yugoslavia. They collectively mentored me for four years, and my career bloomed. I had additional mentors follow, enabling me to hone in

on special skills and become a top skin care provider.

Twelve years later, in 1992, I wanted more because the atmospheres I worked in just didn't have all the elements I believed necessary for a total guest experience. I sold my car for \$10,000 to fund my opening of Skin Apeel, and I never took a business loan or any financing to open my front doors. We were the first day spa to open in Boca Raton. Many spas followed, and many of them duplicate components we had in our facility.

### Growth path

**Q:** What were some of your growing pains?

**A:** The biggest was the learning curve from technician to management, and learning how to run a successful business. I was taught how to be a great skin care expert, but I was not taught how to run a business. In the beginning, it was all trial and error, and I was my own teacher for many years. I didn't ask for help, and I fumbled through. For the first five years, my spa was a revolving door with all the new hires. I think we had 50 people turn over within that time. I worked full time in the room for the first 10 years while growing my business—not easy and not effective for growth. Then, I got smart and decided to work more on my business than *in* my business. I think I could have grown even faster had I asked for help earlier.

**Q:** What were some of your early struggles?

**A:** Management, leadership, budget and compensation structure. I ran my business like a service provider rather than a savvy business owner. I made

the same mistake as many former technicians by grossly overpaying my team members. The one concept I naturally understood was customer service, and that alone allowed Skin Apeel to prevail until I developed other management skills.

**Q:** How did you manage your growth?

**A:** Due to great client relations and retention, we needed to expand twice! We extended our eight hour days into 12 hour days. We are also open seven days a week, and we have raised prices when needed.

**Q:** When did you decide to expand and how did you go about doing it?

**A:** The first expansion was seven years after inception. After a lot of hard work—seven days a week—and working through construction and massage simultaneously, we grew from four small rooms to seven comfortable rooms, plus a private nail area.

Our second expansion happened eight years thereafter. It was the same labor of love, helped with strategies from my husband and a core construction team. This time, we devoted 1,000 of our 3,000 square feet with a large retail area, because we know that retail is our money corner.

**Q:** What were some of the most effective strategies that helped you grow?

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**BY DORI SOUKUP**

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**A:** Learning to build a strong and a happy team was first and foremost. If the team is happy, guests are happy; the recipe for a successful business is a happy, cohesive team. Word of mouth is how we grew and continue to do so, because we do not invest in any formal advertising. Skin Apeel clients freely recommend us to friends and family, and in turn, we reward them with incentives and gratitude. Loyalty is key with team members and clients alike.

We also keep it fresh in regards to education, environment décor and continual recreation of the menu to stay ahead of competition. Our USP (unique selling point) kept us alive during good and bad times. We were the first day spa in our city and the only one that was committed to holistic organic care—our niche—and we hold true today to our values and branding.

### Team

**Q:** When did you decide to hire the first employee?

**A:** Within a week of opening in October 1992, I hired my first two employees at the same time—big step! I hired one LMT and one nail specialist to create the dream team to “day spa” care for my loyal skin care clients that we fully depended on to pay my new overhead. Within months, I hired my first apprentice to build my skin care department, a step which eventually gave me part time freedom out of the room to oversee my business.

**Q:** You have a very strong team, with over 36 team members, and a very low turnover rate. What is your secret?

**A:** Make them happy by treating each member with respect, genuine care on a professional and personal level, and involve them in the decision making process. Every day, I find a reason to praise at least one team member for the small day-to-day things that contribute to our overall success.

**Q:** How much focus and emphasis do you put on training your management team and therapists?

**A:** We recently improved our structure by placing four department leads in four separate service depart-

ments. That way, I could stop being all things to all people. I personally focus on training and directing my leads so that they, in turn, will implement the same systems and shared mindset with their teams. I am a good delegator.

All our therapists coming aboard go through a comprehensive interview process and extensive training before performing client services. We have a three month trial period which includes reviews and open communication. This way, they stay on target to become a valuable member of our spa team. Expectations are high, but so are the rewards of being part of our spa family.

### Guest experience

**Q:** How did you know how to position your spa and find your niche in the market?

**A:** I expanded on my personal beliefs of care and product selection. When I decided to open a day spa, I was a vegetarian and an avid animal lover; the spa offerings reflected healthy, non-invasive, pure characteristics of my own lifestyle approach.

We hire those with the same philosophy and goals. Our consistent adherence to who we are allows our clients to trust us and feel safe in our hands.

**Q:** What type of menu do you offer?

**A:** Limited, but specialized. Our biggest category is skin care; we are unlike the typical spa, as we hire more estheticians than LMTs. From being an esthetician myself, I recognize that my skin care team is my bread and butter and a big source of revenue. We focus on our skin care as our specialty, and market ourselves as the “skin experts.” To complement this, we offer body, natural nail and alternative care therapies. Our acupuncturist nicely completes our holistic presence.

### Your revenue drivers

**Q:** What are your biggest treatment revenue drivers?

**A:** Custom facials and enhancements. Also, retail accounts for a large portion of our total spa revenue.

**Q:** What is your retail philosophy?

**A:** A must! Retail recommendations complete the client’s experience at home. Retail is a service in and of itself and should not be viewed as sales. In our facility, part (of the) compensation and rewards are determined by each member’s retail success. Our team perks are structured around reaching overall spa retail targets. I was taught early in my career that a guest purchasing retail is the conversion to a loyal client, as they



are reminded of you with every experience at home. We are so selective with our products that our clients come to us wanting our premier retail choices.

**Q:** You have a beautiful retail area! Can you share the product mix you offer in the boutique?

**A:** Personal care gift items, jewelry, clothing, internal supplements, aromatherapy, crystal lamps, books, greeting cards, specialty chocolate and premium bathing remedies. Every spa should have a boutique!

**Q:** What would you say to someone who is not currently maximizing on retail sales?

**A:** You’ll never profit from your business. Retail will give more return on investment than treatments. Hire a coach or consultant to guide you to developing comfortable recommendation techniques, as well as training your team and assisting with product mix selection. It’s important to learn how to work cooperatively with vendors to stay afloat with healthy profit margins.

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### Financial management

**Q:** Many people in our industry are not numbers driven and may not pay close attention to accounting. What did you learn over the years that made a big impact on your business and success?

**A:** I am one of those people. I am a creative, hands-on-service provider by nature; that's why I do what I do so well. It took me much too long to ask for help. I researched and hired a coach to learn the value of fair team compen-

sation, team motivation, and that I had to honor a business budget. Before, the rule was that if we had money in our account, we spent it.

**Q:** What advice would you give someone who is starting out or maybe been in business for a few years?

**A:** Hire a reputable consultant. Don't wait as long as I did to open your eyes to the positive concept of change. Since I do not have a business partner, I find alliances and business connections so valuable.



### Future

**Q:** What do you envision for your business in the next few years?

**A:** More growth, sustainability and having my business in the best financial state to secure a prosperous sale. Developing an exit strategy takes planning and goal setting. The plan is to maximize my investment of 20 plus years of blood, sweat and tears with a worthy return.

**Q:** What is the one big mistake you would tell someone to avoid?

**A:** Don't overpay your team or let them hold you hostage. Keep the frame of mind that it's a privilege to work in your facility. Work smarter, not harder.

**Q:** Do you have any last words?

**A:** Position yourself to enjoy your business. If you can't smile every day when you walk through your front doors, admire your accomplishments, be encouraged by your team and truly cater to your clients, stop. You need to regroup to survive this highly competitive, fast growing industry. The spa business is real. ■

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