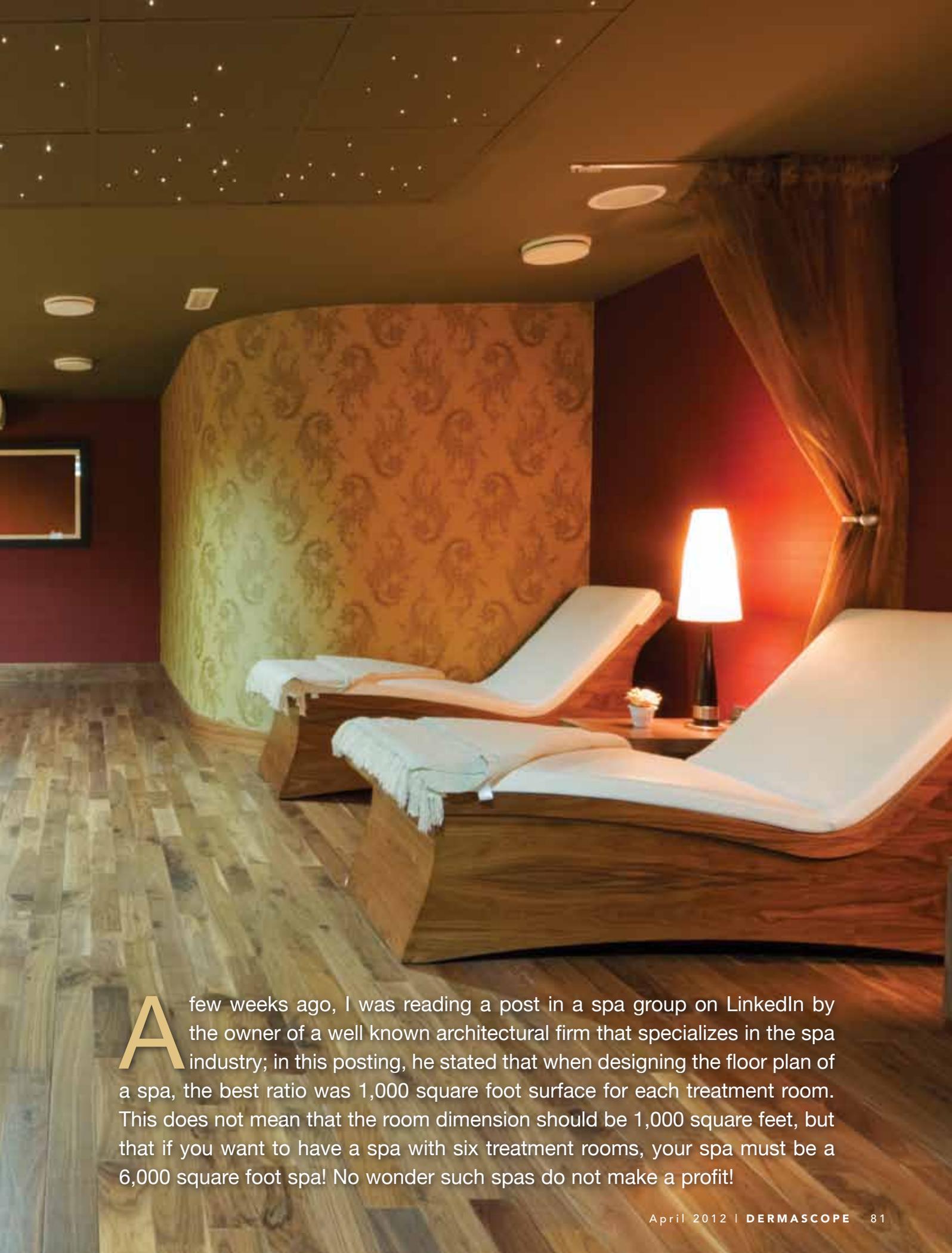
A photograph of a spa treatment room. The room features several wooden lounge chairs with white towels and fringed blankets. Each chair has a small table with a lamp and a vase of flowers. The walls are decorated with patterned wallpaper and a red wall with framed mirrors. The floor is made of light-colored wood.

DESIGN SUPPORTS YOUR PROFIT ... OR KILLS IT!

by Sam Margulies

Every business wants to be profitable! Spas do too!



A few weeks ago, I was reading a post in a spa group on LinkedIn by the owner of a well known architectural firm that specializes in the spa industry; in this posting, he stated that when designing the floor plan of a spa, the best ratio was 1,000 square foot surface for each treatment room. This does not mean that the room dimension should be 1,000 square feet, but that if you want to have a spa with six treatment rooms, your spa must be a 6,000 square foot spa! No wonder such spas do not make a profit!



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THE FLOOR PLAN

It is clear that the potential income of six treatment rooms cannot cover the operational costs and maintenance expenses of a 6,000 square foot structure. This spa conception philosophy was acceptable in the hotel spas, because they were not considered as revenue sources but only as amenities for the hotel guests and therefore boosting the hotel guest average stay length. Now-a-days, even hotels are coming to the conclusion that their spas must produce a positive return on investment, and if they are stuck with old "mammoth" spas that will never produce positive income. Now, they are looking at their new spa projects to be conceived and designed in a manner that will support and allow the spas to be not only self-sustainable, but profitable businesses.

When setting up a new spa, one must have a well thought business plan, as well as an efficient management system, treatments menu and marketing plan. However, all of these elements must be supported by a structure that will allow them to be useful. That structure is the physical existence of the spa. Because no matter how good your business plan and management team are, if your floor plan is not optimizing the "utilization rate" of the surface within an intelligent traffic pattern, you will never be able to achieve a healthy business format.

The element that will have the most dramatic influence on the business aspect of the spa is the conception and design of the floor plan. Although the colors of the walls and the type of flooring material are important elements, it is not what will "make it or break it."



The spas that have the best revenues are those who understand the importance of repeat clientele. The most important element in the client's decision to come back is the experience they had during their stay in the spa. If the service and the treatments are part of what creates that experience, the floor plan is the most important element in the creation of the environment which creates the client's experience. If the treatment rooms are too small, the reception area is too



crammed, or the corridors too narrow, the client's experience will become negative. If an one hour treatment at \$100 is in a treatment room that is too small, the client will become impatient and the one hour will feel much longer *and* the \$100 will be perceived as too high. Such an experience might turn into a statement that would sound something like, "I paid \$100 and I was parked in an over-sized closet where I felt frustrated and impatient." This would then turn into bad word-of-mouth marketing, calling for the business to initiate damage control. The key word here is "perception." It is the perception of the client that prevails and that will decide the overall experience, including the possibilities of return visits to your spa. If the perception of the experience from the client was bad (or even if it was just uncomfortable), it will make no difference how good the treatment was.

Having more treatment rooms does not always mean the ability to provide more treatments or the possibility to make more income. In some cases, it just translates into higher operational costs and maintenance expenses. It is the utilization rate of each treatment room that makes the difference. In order to reach the best utilization rate for each treatment room, your spa designer must conceive the plans with a deep knowledge of how a spa operates, what the general and specific needs are of this industry (as well as of the specific project), incorporating the correct amenities for the structure, and creating the best traffic flow with the right supporting spaces.

Let us take two different examples. Two minutes added to each treatment because of an incorrect location of a dispensary in the floor plan can lead to a significant loss of direct income throughout the year. Other conception mistakes will prevent your clientele from coming back regularly and will force you to multiply your marketing expenses in order to keep a viable utilization rate of your treatment rooms. Some other mistakes will be related to the equipment for the "high-tech" treatments. So, while conceiving your lighting and power plan in conjunction with your floor plan, your designer must know what your needs are for equipment, now and the potential future.

The World at Your Fingertips

A woman with blonde hair, wearing a black tank top, is smiling and holding a globe above her head with both hands. The globe is composed of a grid of small, colorful photographs of people and scenes. Below the woman, there are five social media icons: a green circle with 'C', a red circle with 'SG', a blue circle with 'AP', a blue circle with 'PG', and a yellow circle with 'EG'. At the bottom of the image, the text "Aesthetics Professional.com" is written in white.



THE BUSINESS PLAN

But let us go back to the utilization rate of the spa. Most of the time a project begins with a business plan. When that plan is ready, one needs to build or to find an existing location that will fit the needs of the business plan and support its goals. For example: If the business plan income calculation is based on 15 treatment rooms, it means that you need to allow some space for locker rooms, a relaxation area, perhaps a space to separate the men and women, a staff room, dispensaries, utility room, corridors, et cetera. All of these spaces will not generate direct income, but without a corridor, you do not get your clients to the treatment rooms and without utility room, you do not provide heat, A/C, light nor water to your treatment rooms. Take the example of the locker rooms. With just a few treatment rooms, you absolutely do not need to have them, but when you have a certain number of rooms, in order to keep an acceptable level of utilization rate for each room, you will need the locker rooms, or your ratio treatment/room will drop dramatically. But how big should the locker rooms be? This will depend on the number of treatment rooms. Based on the number of rooms, you need to calculate how many clients could be in the locker room at the same time. Make sure there is enough space for the clients not to feel stressed about being forced into a physical contact with each other. In other words, for every square foot that will generate direct income, you need to have additional space allocated that will not generate any direct income – but without which your spa will not be able to be fully operational.

When you have your business plan ready (before you begin to look for a location) spend a few days with an experienced spa designer that will assist you with defining the dimension and type of location you need in order to support

the projections of your business plan. This will lead you in the right direction allowing you to develop the kind of business you expect and want to have.

THE FURNITURE

Another big investment in the spa is the furniture; all cabinetry in the treatment rooms, as well as in the reception and retail area or the locker rooms should be prepared. It is important to make the distinction between the custom built and the custom feet. The first one, custom built, means designing from scratch all of the furniture, and contract a company manufacturing every piece for your project. The second one, custom feet, is choosing within a manufactured collection the style, dimensions, colors, hardware, et cetera, and having this manufacturer assemble each piece for your project. In general, custom built will be more expensive, but will give you the opportunity to create a one-of-a-kind identity to your project. Of course, a cheap custom built will be less expensive than high quality custom feet. Overall, when making this decision, you really need to define from the beginning what kind of image and identity you want your client to have when thinking of you.

THE CLUTTER

While speaking of furniture, the first piece that your clients will see is the reception desk and retail area. Some spas invest heavily in this furniture, but end up scaring their clients with a cluttered reception. Some believe that in order to have good retail sales you need to have as much merchandise as possible in your displays. The truth is that it all depends in the kind of products you want to sale. If your products are cheap, low quality products, the right way will be the supermarket

way: As many products as possible per square foot. But if you propose high quality products at a higher price, you need to give more space to each kind of product on the shelf, bringing the "perceived value" of each product to a higher level. Do not forget that the "perceived quality" of your products is also the reflection of the quality of the treatments proposed in your spa.

Another "perception" nightmare is clutter. For some people, clutter is like a wall they build around themselves, giving to them the impression that nobody will be able to touch them, making them feel more secure. But how would you feel as a client coming into a spa, feeling as though the staff is saying, "You are going to take off your clothing, and be touched and treated by people that are afraid of being touched by you." Do you really think that you would feel comfortable in this situation? By avoiding any clutter, you make a clear statement to your clients: "This is a safe place where you do not have to worry for your safety and privacy."

Remember always that your most important investment in a spa is the construction of the facility. Mistakes in the conception of the project could cost you your dreams and your business, while a well conceived and designed spa will support your spa's ability to be a profitable business. **D**



Sam Margulies began his professional education with an apprentice program in upholstery and draperies. After completing his education in interior design and architectural design in France, he traveled for several years in Europe and in the Middle East where he studied different design styles and methods. While working for several years for a French design firm, he continued his education at night with two year programs in law, marketing and management. In 1988, Margulies moved to Montreal, Canada. After working for two different design firms, he relocated to Burlington, Vt., in 1993, where he opened his own firm: Atmosphere Spa Design. In the early 1990's, Margulies began to study the Chinese art of Feng-Shui that plays an important role in his approach to design and architectural conception. Because of his growing international reputation, he has been a guest speaker in a variety of venues, and had a bi-monthly interactive column on design topics in the Burlington Free Press. Margulies is regularly invited as a keynote speaker at the I-SPA conferences in the U.S. and Asia, ESI shows in Canada and the U.S., Medical Spa Summit conferences, HBA, IECSC, Face & Body, Spa & Resort Expos, to name a few where he presents series of lectures. Known for the educational articles that he writes about spa and medical spa conception and design – where both esthetic and business perspectives are valued, Margulies has had articles published regularly in trade magazines such as: Spa Management Journal, SKIN, INC., Medical Spa Magazine, Spa Canada, Spa Quebec, Style Speak in India ... just to name a few. To contact Margulies: 514-332-8941, www.atmospherespadesign.com, or atmospheredesign@hotmail.com

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