



Nichol Schumacher

Kneaded Relief Day Spa & Wellness

Fitchburg, WI

Introduction

“In December 1997, my partner, Duke Harvey, and I purchased Kneaded Relief. In January 2007, we moved from a 1,400 square-foot spa to a 5,300 square-foot spa and wellness, personal training and fitness center. We were able to weather the economic downturn within a year of moving to a much larger facility.

- **Number of employees:** 35
- **Services offered:** Massage, facials, body wraps, waxing, manicures, pedicures, hydrotherapy and personal training

Results between 2005 and 2011

- **Team-Based Pay Conversion:** Improved financial security for staff and changed our culture. We share monthly financial info (sales and expenses) with all staff.
- Scoreboards used daily to track sales goals.
- Huddles done daily to communicate sales goals and up-sell/cross-promotion opportunities.
- Very open communication among all team members; monthly one-on-ones and biannual performance reviews.
- We utilize Broadbands as a career path for staff. They’re the basis of raises and performance reviews.
- **Skill Certification:** We’ve created a step-by-step training program including a “how-to” book of services and a “test out” process before working on guests.



CRITICAL NUMBERS	2005 - “Pre-Strategies”	2011
Service Sales	\$540,000	\$786,000
Retail Sales	\$63,000	\$93,000
Retail % of Gross Revenue	10.5%	10.6%
Gift Certificate Sales (annual)	\$219,000	\$414,000
Service Payroll (% of total sales)	38%	29%
Net Profit %	3.8%	2.9% (tied to facility expansion)
Average Ticket	\$70.89	\$80.18
New Client Retention	12%	20%
Existing Client Retention	43%	54%
Productivity Rate %	70.62%	83.52%
Pre-Book Rate %	19%	30%