



Dennis Gullo

Moments Salon and Spa

Mount Laurel, New Jersey

Overview

- **Year founded:** 1993; expanded in 1998
- **Square feet:** 4,300
- **Number of employees:** 41
- **Services offered:** Hair, skin, nails, massage and make-up



Results as reported by Dennis Gullo in the year following his January 2002 Team-Based Pay conversion:

- Implemented the three product recommendation system, increasing retail sales from 3% to 11% in the first month.
- In February 2002, we reached goal and paid out our first team bonus.
- My top stylist stood up at a staff meeting in March and declared that she liked the new pay program and let everyone know that it was time to get on the bus.
- Our best client (the one who spent the most money in our business) pulled me aside and said, "I'm not sure what you are doing differently around here, but keep it up."
- Year-end 2002, broke even for the first time since our 1998 expansion. It took another year for Moments to finally be profitable.



CRITICAL NUMBERS	2001 - "Pre-Strategies"	2011
Service Sales	\$990,000	\$1,600,000
Retail Sales	\$21,000	\$250,000
Retail % of Gross Revenue	2.1%	13.5%
Gift Certificate Sales (annual)	\$200,000	\$375,000
Service Payroll (% of total sales)	45%	35%
Net Profit %	-2%	7%
Average Ticket	\$43.50	\$55.65
New Client Retention	29%	55%
Existing Client Retention	82%	87%
Productivity Rate %	65%	75%
Pre-Book Rate %	15%	55%