



RIZZATO
SPA CONSULTING

How to create a Successful and Soulful Spa Concept, by Dagmar Rizzato



ITB, MARCH 11TH, 2010



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THE LOSER ALWAYS AN EXCUSE.

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FROM: LUST AUFS NEUE – THE BOOK FROM WALTER SIMON

1. BASIC SUCCESS FACTORS OF A SPA

Peter F. Drucker:

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but in the advantages and benefits those features
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Some spa facilities are real goldmines and confirm the „mega trend – spa“. In other cases, despite the high investments and modern furnishing the expected and the much-lauded profits won't earned.

In both cases, the success or the failure case, you have the same question which often remains unanswered: “Why is this house successful?“ ... or ...“Why do we have no success or not in the expected volume despite the high investments?“ ...Although both created impressive hardware

Success is planable

But where starts this planning?

In the draft for the sauna area? The determination of pool size or the decision about the numbers of benches?

Or...earlier – much earlier. Does it start with the question:

What do we offer for whom?

Who are our guests – currently, and, are those the guests for those the spa facilities would be built? Are the momentary guests those who I like as spa guests? How do I imagine my spa guest? Which needs have those guests? What imagine the guest with the word spa and what do they expect? Which compounds do we have with the word spa and how should it be realized?

Are those questions answered – then – you can define the content, size and offer of a spa facility. Of course, nowadays there are standards which have to be existent. But the reality often gives the impression that the concept is only limited on the standard service.

Saunas and pool areas are planned with reasonable care and professionalism. Facilities were created with complex, expensive concepts and amazing optic which gain in the later business a fixed calculated maximum sales volume even the part of the room price which will be detailed as a

calculative or actual turnover of the facility. Like the practice shows, a rather empiric value, then a clear calculated amount.

The supplement of the concepts makes „a few treatment booths“, how they call it in the language of the spa community and – finish.

But since years various market studies interact out of the circle of the consumer that those estimate totally other decision criteria, to favor a spa facility in the hotel as the impressive sauna area which in the meantime be assumed as granted.

With the growing experience, guest's can differentiate between hotels considering the above mentioned topics. This is why increasingly the actual contents and quality management is required. More and more comments state: “the price – service ratio is not correct”, “trade service is inadequate”, “treatment/massage is superficial”, and on and on... .

Analysing the actual situation of spa facilities in reference to quantity and quality and evaluating the potentials as well as the strength and weakness areas will show the actual deficits before the final question:

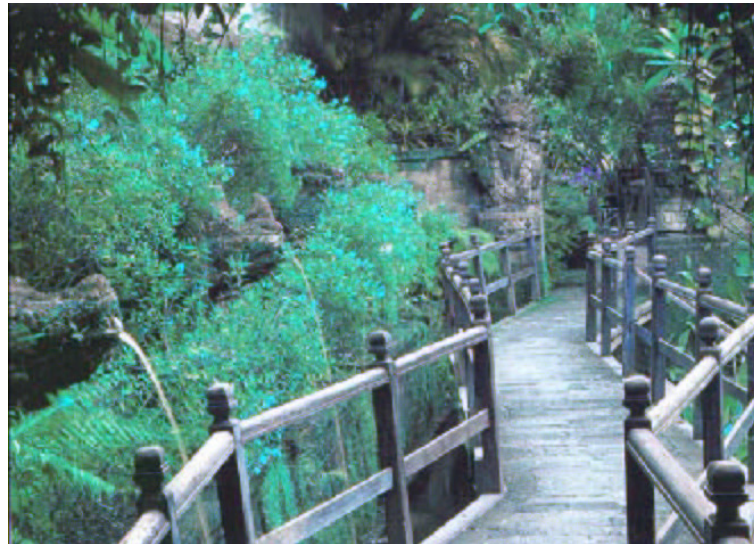
Where do we stand? – What do we offer regarding to quality of experience? How do we define „spa service“?

Conclusion:

Overall, the hotels' spa area has to be managed based on the responsibility towards the guests and placed investments. But also in relation to the revenues which are being generated in this area to move out of the coincidental principle. The success is planable and enormous profit can be realized – taken the customer wishes in consideration - as is already being shown by many hotels in the German speaking area. The future concentration of subject, quality and transparency is already pushed by economy and pressure will grow. To all who take the subject of spa seriously, the future estimations will come true.

2. STRUCTURING AND ORGANIZATION OF A SPA FACILITY

**Someone doesn't know the way,
should not be astonished
if he ends up somewhere else!**



**INDIVIDUALITY IS THE CAUSE OF DIFFICULTY
AND AT THE SAME TIME THE SOLUTION.**

REINHARD K. SPRENGER

More and more growing spa facilities, grown staff, high guest rates and finally the fast growing competition ask for the necessity of a professional spa management.

Like in every division of a business, the spa area of a hotel is in great need of a professional management, in order to manage this branch like a profit center. Considering a guest's view, the requirements of quality spa experience and especially the service are growing.

The spa management is responsible that a guest's experience with its individual expectations is fulfilled, considering the business philosophy. This has to take place considering the quantity and quality as well as the business guidelines.

2.1. Tasks of the spa management

Mayor tasks of the spa management

- directing the reception and appointments
- defining and converting the supervision and commitment to the guest
- registration, guiding and evaluation of guests' personal data
- communication in between branches of a hotel to the best possible interface coordination
- economic efficient, staff schedule, staff management and development
- quality management, also in the „non-visible treatment area“
- development and realization of the internal communication and training system
- preparation of all figures, facts and information for controlling, accounting and management
- budgetary procedures and performance
- enterprise resource planning
- development and calculation of the service range

Depending on the business structure the conceptual formulation turns out more extensive or lower. It is absolutely necessary that the operational spa management is an active management.

2.2. Premises for a professional spa management

In order to fulfil the above mentioned requirements, specific prerequisites have to be considered regarding the company. This considers the hardware as well as the software.

First of all a functional spa reception is required via all inquiries, guest consultation and bookings dispose. A functional spa reception is made up:

- consultation and scheduling bar with seats for guests and receptionists
- waiting area or „spa lounge“ with drinks
- back office area, for handling inquiries by phone, elaborations, etc.
- mostly also a laundry storage for dry and wet laundry
- office of the Spa-Manager

The spa reception is the extension of the spa manager, the organization and control centre of all processes, the problem-free guest throughput as well as the consultation and competence centre, so to say the „heart“ of every spa. In the same area the office of the spa manager has to be located in order to keep the manager in the centre of operation. Only this enables him to interface actively in the processes and allows him to recognize the performance of his staff. Because 80% of the not pre-booked revenue is being generated at the spa reception it is possible and necessary to respond

immediately. The revenue volume as well as the revenue profit is being coordinated via booking efficiency and staff productivity.

The data entry is an important basis in order to control guests, operation and staff.

The hotel spa should furthermore be analysed according to a profit centre with its own revenue and cost structure. This makes the organization of a division related BWA necessary. Otherwise the entrepreneur is not able to assess the spa management.

Without an adequate spa software creating a data base is almost impossible and can only be established with an enormous amount of time by the administration. However, an up-to-date report is not impossible but instead the spa management is keeping track of it the “administration of the past“ using by-hand recording.

3. TURNOVER TRANSPARENCY AND TURNOVER REPORT

3.1. Economic consideration of a spa division

How can you economically analyse a spa business? Practice shows different variations more or less predicatory. But how can turnover and figures of the spa business be distributed transparently, the economic judged and the success made planable.

3.2. Consideration a spa division as a profit centre

Not later than, when the question concerning investigation at expansion of the spa area is being asked the necessity arises to look closer at the „return of invest“ and if possible to plan as well. It is not enough like mostly done by the BWA to register earnings of the spa turnover separately according to cosmetics, massage or treatment turnover and supply turnover. Especially in the spa treatment area, supply turnover, salaries and turnover should directly be distributed. Because they depend upon each other this is why a detailed profit and expense recording is a must. Not only the department itself has to show profit but also every single employee and room.

3.3. Recording and structuring turnover as a necessity to assessment

The detailed turnover recording has two main functions:

1. The turnover recording of each employee divided into service and sales is the base to individually assess every one. At the same time this recording is the foundation for conversation concerning income and contributions based on performance. Something that being recommended and realized world-wide many times.

This is the only way to analyze the main performer of each division. Because the size of turnover is not necessarily showing the profit margin, the turnover of each employee should not be added, but rather registered according to treatment and products.

2. The detailed recording of turnover per guest also divided into service and sales, provides an important foundation for the evaluation of guest satisfaction. Together with the recording of guest wishes, the turnover per guest as well as the kind of turnover (turnover per item) are the most important instruments of controlling within the spa department to provide guest oriented counselling and treatment.

Only with a detailed turnover recording you can analyse the following topics:

1. charts concerning the products and specials, supply and sales statistics
2. turnover charts per employee, base of overall evaluation and performance development of each employee
3. analysis of quality and quantity of guest turnover in order to look at the turnover development of guest during their stay, especially the development of regular guests (maximum potential)

Turnover sales:

The sales turnover in supply in the spa area is ALWAYS an indication on how good the employees consultation and his perception for a guest wish is.

With a minimum of guest wish investigation, a 20% sales share of the total turnover spa concerning cosmetic treatment and bath, is easily reached. Sales turnover are not only elementary necessary to “fulfil a guest wish” but especially regarding the yield. Because of the trade margin of usually 40%, the sales turnover effect the results immediately.

To the whole economic consideration of a spa area which shows efficiency, productivity and further development, the above mentioned items are the foundation on which more calculations and analyses can be done. In order to obtain a really performing, cost conscious spa management with a corresponding, transparent report, a spa EDA program is absolutely necessary.

4. BASIS REPORTING

A reporting to control quantity as well as quality as comparison with the hotel is in the spa essential. The evaluation of productivity and efficiency of the single employees, potential and characteristic determinations are otherwise absolute impossible.

For the operative spa management are the following data the absolutely required minimum, equal if written or register with a spa software:

- guest data incl. recording guest request and booking and treatment history concerning the spa area
- turnover per employee separated into service and sale
- turnover per guest, separated into service and sale
- efficiency statistic of the employees, also in the “forecast“
- turnover statistic per area -> massage, cosmetic/body, sauna, spa general usage, etc.
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5. QUALITY MANAGEMENT IN SPA'S

Basis of the quality management in spa's – based on rooms

- decorate the room according to the design concept and the offer
- room setting

Basis of the quality management in spa's – based on business and operational processes

- plain business philosophy
- development of standards in terms of the business philosophy relating to:
 - guest handling (check- in until guest care concept) = service design
 - for all treatments
 - check lists for all areas (circuits, sauna, pool, reception, etc.)
 - definition of Quality of Touch
- highly detailed job postings or task descriptions

- definition of the appearance and behavior of the employees (uniforms, hairs, no piercings!, make-up, smoking, etc.)

the above mentioned points have to be realized within an internal training and enrolment system.

Quality management measures within the scope of spa managements

- defining and converting the supervision and commitment to the guest
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Documents and examples for the topic spa management:

- pictures for the room setting
- example for standards for the treatment and treatment sequence
- example consultation assistance for the guest counselling
- example of a „Consultation Protocol“ out of the international spa market

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