



HFD Spa®

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How To Squeeze More Profits From Your Spa

By Ed Watkins

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With new high-end hotel and resort development at a standstill, very few new spas are being built. For spa consultants like Judy Singer and Patty Monteson of Florida-based HFD Spa, the emphasis shifts from advising on the development of new spas to operational and marketing consulting for existing facilities.



The Allison Inn in Oregon's wine country has a 15,000-square-foot spa.

The firm now offers a range of operational analysis and remediation services to assist ailing or underperforming hotel spas increase efficiencies, build business and grow profits. HFD Spa also launched a Spa Provider Alliance, a web-based directory of hospitality consultants that complement the firm's services.

“Smart hotel GMs realize they can't ignore the spa because it costs too much money to do so,” says President and Co-Owner Singer. “If management—everyone from the GM to the Director of Finance to the HR Director—doesn't put energy into making the spa a profitable department, it will just sit there as a lazy asset.”

We recently spoke with Singer on the latest trends and techniques in profitable spa operations:



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What kind of operational issues do most hotel spas face?

Staff training is a big issue, making sure the staff is cross-trained in their technical skills. But the staff must also be focused on hospitality and service. Every spa offers massages, facials and manicures and pedicures, but it's how you perform the treatment that is important. It's not just the technical skills, but also the attitude of the associates doing the treatments.

Everyone's flattened out his or her org chart, and oftentimes the spa director is responsible for more than he or she has ever done before and they may need assistance from the (hotel's or chain's) director of finance in terms of financial management of the spa. We try to work with the finance directors and the spa directors on the financial part of the puzzle.

How important is pricing?

Most spas have already adjusted their pricing, either by lowering their prices or offering value-added services. They're getting better at yield management in terms of pricing at non-primetime and primetime hours and for hotel guests, for members and for day guests. However, some operators aren't keeping track of treatment room utilization by hour of the day or day of the week. Unless they do that, they can't yield manage or know what prices to charge and when and for whom.

How has the spa business changed in the 27 years you've been in business?

Hotel GMs have obviously gone from thinking of spas as loss leaders to break-even to profitable operations. From a marketing perspective, hoteliers really see the value of the spa. At one time, many hoteliers wanted to manage their spas in-house, but when the economy changed a couple of years ago, a lot of them decided to outsource their operations. As a result, some big product companies like Aveda have gotten into the spa business as a way to sell their products. Hotels like this approach because of the advantages co-branding brings and the fact that someone else is taking care of the operating expenses, especially payroll.

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For hoteliers, they're getting the best of both worlds if the product company is a proficient spa operator and a "team player" in terms of marketing.

Very few hotel schools have spa management as part of their curricula. Will that change in the future?

I see it growing, but I would like to see it grow more as a major as opposed to offering a spa course within hospitality management. For people who want to be spa managers, there needs to be a lot more courses offered at colleges on spa financials, marketing, feasibility analysis, research and more. Elmcrest College in Canada (North York, ON) has probably done the best job. Spa management can be a great opportunity for college grads. Instead of starting at the front desk or in F & B, the hotel spa can provide good career advancement and good pay.

Tell me about your new spa advisory service?

Once we help hotel owners create their spas, we generally stay on to make sure it achieves the objectives we originally envisioned. Now we're opening up that service to any existing spa that wants to improve its revenues and profits. In today's economy, everyone is struggling and needs help to get more guests in the door and make more money. We've created very effective, easy and affordable tools that people can use to help keep track of their business. If you can't measure it and monitor it, you can't improve what you're doing. The "business" of spas is our focus....how to help spas be more marketable and profitable.

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