## THESUMELIE

any salon professionals today are experiencing the "suite life;" a salon suite concept that was introduced to the Houston area 15 years ago. In the same way that executive suites provide small business owners flexible, professional space that is ready for them to "plug in and go," salon suites provide independent salon operators with their own space that's ready for them to "plug in and go."

Who hasn't heard of Salon Park, which is owned by Burt Brinson and three of his sons? If for some reason you aren't familiar, Salon Park is Houston's first suite-style salon. After realizing the dream of most salon professionals is to own their own salon. Mr. Brinson, introduced a new factor of the salon professionals is to own their own salon.

Who hasn't heard of Salon Park, which is owned by Burt Brinson and three of his sons? If for some reason you aren't familiar, Salon Park is Houston's first suite-style salon. After realizing the dream of most salon professionals is to own their own salon, Mr. Brinson, introduced a way to make their dream a reality. Suite rental is still a relatively new concept to some, but many have taken note of the Brinson's success and duplicated the model; now suite rental salons are sweeping the city.

The concept offers independent salon professionals the opportunity to experience salon ownership while at the same time eliminating many of the costs, tasks, and duties of actually owning a salon. This idea of virtual entrepreneurship has attracted many independent contractors and even some former salon owners. More and more owners and operators are buying into this structure that claims to be an exciting and profitable way of doing business.

The owners of Salon Park pride themselves on offering their associates the freedom to operate their own salon without the headaches of actual salon ownership. Their associates have the flexibility to set their own hours, fees, and select and sell their own products. And most of all each associate has the opportunity to operate their business based on their individual style. All of these benefits, coupled with the business acumen and support of the owners and managers, help each associate become successful.

The owners of Salon Park are the innovators of this "salon mall" of sorts, where under one roof a client has access to all the beauty services he or she may need or want. You'll find hair care services of all types, nail services, body treatments, facials, waxing, threading, etc., each only steps away from the other.

I had an opportunity to speak with Burt Brinson, president and founder of Salon Park, and Bonner Brinson, director of operations. They shared with me details of their operation, their philosophies about the industry, and their viewpoint regarding booth rental and independent contractors in the salon business.







**SZ:** When did you get started in this business?

**Burt:** We opened our first Salons in the Park in Dallas in 1991.

**SZ:** How many locations do you currently have?

**Burt:** We have five, there is one in Dallas and four in Houston.

**SZ:** Was the salon suite concept an original idea, or was it something you had seen elsewhere?

Burt: It started in Amarillo, Texas of all places; that was our home. I had a barber there named Keith Clark, it was his idea initially, and he built one salon in Amarillo. My background had been in retail and construction. We came to Dallas where the market is much larger. Mr. Clark and I built and opened the first Salons in the Park in '91 in Dallas.

**SZ:** So, the concept came from your friend, the barber. Are you still partners today?

**Burt:** Mr. Clark and I dissolved our partnership. The concept has evolved quite a bit since it originated. Our primary focus now is to give the beauty professional a place to work that is managed professionally where they can make more money and have better control of their time.

**SZ:** Now, you and your three sons partner in the business, what role do each of you play?

**Burt:** Bonner Brinson is in charge of operations, Branch Brinson is in charge of construction and building facilities, Bo Brinson is in charge of expansions. I try

Top, left to right: Burt Brinson, President & Felicia Drake, Editor of Salonzone Magazine; Retail store; Stylist Suite; Burt Brinson, Kathy Allen, Bo Brinson, Bonner Brinson, Branch Brinson; Pedicure room

Bottom, left to right: Stylists working in their private suite; 9521 Westhiemer Salons in the Park location



to look at the big picture; decisions are jointly made by all of us.

**SZ:** Have any of you ever been operators in the beauty business as hair stylists or barbers?

**Burt:** Several of our on-site managers have been in the beauty business. My sons and I are business people, we help to bring the business side to the salon industry, we work very hard to provide excellent facilities at a reasonable cost to our associates. We build our own facilities; we know how to make them operate, and how to make them easy for people to work in. Our focus is the beauty professional and providing the best place to practice their trade.

SZ: I've noticed that there seems to be a bit of a transition in the type of people that are going into salon businesses. More people are coming from the corporate world to become salon owners. Many of them feel there is a need for more structure and professionalism in this industry and want to provide a solution. The challenge is that the salon industry is a different type of animal.

Burt: It is still a service business and the

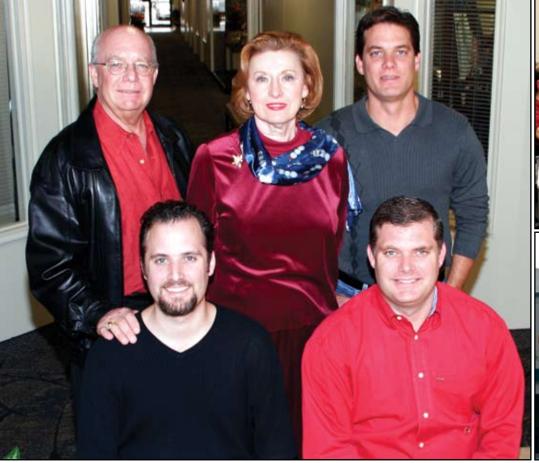
beauty professional provides the services. Our goal is to provide a comfortable, affordable space to practice their trade.

**SZ**: Yes, it is a service business but not only that, it's a business where you're dealing with a lot of different personalities, creative personalities; and the majority of beauty professionals have never worked corporate jobs before. How do you maintain structure and professionalism in your facilities? Do you encounter conflicts related to professionalism and personality differences?

**Burt:** We maintain structure and professionalism by providing an on-site salon manager to handle the day-to-day problems. Conflicts do arise, but most of our associates have been in the business a long time, have established a great client base, and are very professional.

**SZ:** Having a corporate background, was it difficult transitioning into the salon industry?

**Burt:** We hire salon managers that are in the business and they handle the operational ins and outs. When we hire a manager to operate one of our facilities we're







not just looking for property managers. We go after professionals that have experience in the beauty business. For instance Dixie, the manager at Salons in the Park at 34th and 290, was with Sally's Beauty Supply for 22 years. Kathy, the manager of Salon Park at 12534 Westheimer, was a licensed cosmetologist who has been in the salon business forty years. Kathy was also in product sales much like Dixie was with Sally's. Our manger, Mary, at our Salons in the Park at 9521 Westheimer is a former stylist. Jinx, the Willowbrook Salons in the Park manager, has a marketing/ advertising background. So our associates at every location have someone on-site with experience that they are able to learn from; whether it is, marketing, advertising, or the salon business in general, our managers can help them.

**SZ:** What is the general profile of your typical associate?

Burt: Most of our people are in their late 30's to 40's. They have their own clients, and they maintain their own client book. Most of these folks don't need a lot of handholding. Several of our associates have owned salons and are tired of operating a salon. They don't want to deal with

landlords, taxes, utilities, maintenance, insurance, and all the other headaches that go along with owning and operating a salon. Our associates like to be able to come when they want to, leave when they want to, and still make more money.

SZ: On average, how many associates do you have at each location?

Burt: We have an average of between 50-70 associates in each location.

SZ: I know each location will hold different amounts, but what is the average capacity of each facility?

Burt: This location (Westheimer @ Dairy Ashford) is a good example; it's 14,000 square feet and has 74 suites.

**SZ:** Are you typically full? Burt: We're usually exceeding 90%.

SZ: That's phenomenal! The turn over rate in this industry is very high. Do you experience this?

Burt: We have an associate in our Dallas salon, Renee Witherspoon. She was the first stylist in that salon. She's still there and she's a sweetheart; she's been there 15 years. A few years ago, at our 10-year anniversary, we honored the associates that had been with us since our grand opening. At that time, 68% of our associates had been with us for the ten years. We think that is an amazing number. Our turn over is primarily caused by an associate not doing business properly or because of husbands moving around (our associate base is 85% female).

**SZ:** How do you recruit new associates? Burt: Mailing lists, word of mouth, and referrals from current associates.

**SZ:** You mail out to individual licensed operators and you have success with that? Burt: Yes, we've become very immersed in the advertising part of the business. The best thing that we can have in our salons is a good associate, one that's busy. Many of our new associates come from referrals. Beauty professionals are a pretty close-knit group of people. When you have something that's working, all you have to do is tell a few stylists and it gets out quickly.

**SZ:** You mentioned advertising. Do you do anything to help your associates bring in more clients?

Burt: Absolutely. We have done radio advertising; we've done promotions at different events like the Bridal Extravaganza and Arrowfest. We have a centralized phone number (713-A-NEW-YOU) that allows our clients to get to any of our locations by one phone number. We have a brochure that we distribute that has profiles of all of our associates with their pictures and available services. One of our largest promotional tools is our website. We promote our website on all of our brochures, on our voice mail system, and on any other kind of marketing/advertising we do.

**SZ:** Do you feel that your website is one of the most important aspects of your marketing plan?

Burt: Yes, when we run into people looking for stylists, if they are calling us out of the Yellow Pages or any of the other mediums, we send them to our website: www.salonpark.com. People looking for a new stylist normally have a tendency to be a little scared because it's their image. When you are looking for a new stylist, you don't always just want to go and sit in someone's chair. Salonpark.com has allowed people to learn about our available associates' experience, personality, services, pricing, and even see their picture. This same information is also available in the profile brochure that I mentioned earlier for those that are not computer savvy.

## **SZ:** Do you get many walk-ins?

Burt: We get walk-ins; most salons don't get enough walk-ins. So, I wouldn't say we ever get enough; we do get a lot of phone calls. The primary job of our salon manager is to fit a patron with an associate. We ask that all of our associates offer a complimentary consultation to walk-ins. This way, the potential client doesn't feel uneasy in selecting a new beauty professional or feel pressured into getting a service done right then.

SZ: What is the primary difference between Salon Park and most other salons?
Burt: Most regular salons, primarily commission salons, do not like us. People leave

them and come to salons like Salons in the Park because they are able to make more money and have more freedom. Many salon owners have the idea that the customer is "their customer." The customer, who has the final decision, will acknowledge that they are the customer of the beauty professional performing the service. We acknowledge the fact that those customers are not our customers. They are the stylists' customers and the loyalty is typically between the patron and the beauty professional. It's very seldom that loyalty is between the patron and the salon owner; whenever the stylist moves, usually the clients go with them.

## "It's very seldom that loyalty is between the patron and the salon owner..."

**SZ:** What are some of the challenges operators face when coming into this type of business structure?

**Burt:** I think for most stylists, it's a little scary when they think about going out on their own, especially for a new stylist coming into our type of operation. We explain that they will need to have an established client base or be highly motivated in building their client base.

**SZ:** Chair rental has always been popular in the salon industry, but the suite concept is still relatively new. How do you position yourself in the market place?

**Burt:** You have Beautique, Bio-Silk and other spas like this that are about 15% of the market. Then there's the Super Cuts and other chain salons with 15% of the market and then there's that big 70% of the market that's in between and that's basically where we focus.

**SZ:** There are so many different pay structures out there and so many different ways that the salon can organize. You are in a suite salon which in layman terms

is booth rental in an individual room, in some cases we've seen commission, we've seen team based pay, and in some cases we've seen hourly. Booth rental seems to get bad press, some suggest that there is a lack of professionalism and others say that this structure is simply a way of getting around the IRS. What do you say to these claims?

**Burt:** You have independent contractors in all types of businesses, from lawyers to architects; there are a lot of independent contractors. We're no different than any of the other businesses and other professions. If you're going to be dishonest with the IRS, then you're going to be a dishon-

est. If you're going to be a straightforward businessperson, I don't believe that being an independent contractor changes that. A lot of times, bad press is from salon owners that woke up one morning and four of their people left to go down the street to either open their own shop or go into a suite rental operation such as ours. The ones that do well in the suite rental business are those who are good starters, they get up in the morning and they take care of their clients, they make their money, they pay their taxes and they're responsible. I don't see that that's necessarily conducive

**SZ:** So do you think that is an unfair stereotype?

to something that is bad.

**Burt:** The same person that's working as an employee that never files their taxes is the same person that's not going to pay taxes in our business. If they are going to file their W-2 and do their taxes properly as an employee, they will do the same as an independent contractor.

**SZ:** In the eyes of some people, they are seeing an operator make 'X' amount of money and that goes into their pocket. They are wondering if all of that money is being reported every time.

**Burt:** We don't get involved in their tax reporting process. It's their own business; they can run their business the way they want. If they get into trouble, they have to serve the same consequences as an employee would for not filing their taxes.



SZ: Do you offer any support when it comes to taxes and record keeping?

Burt: Certainly, we counsel many of the beauty professionals on their need to operate in a businesslike manner. The biggest support they get comes from being around other business professionals that are in the exact same business as they are.

**SZ:** Why do you think that booth rental is so popular now?

Burt: I think success speaks for itself. When I moved to Dallas in '91, we did a survey; about 15% of the salon business in the Dallas market was chair rental. About 10% were salaried employees and 75% were commission. Today it is nearly reverse. It has dramatically changed; booth rental in Dallas now amounts to somewhere around 75% of the business. That's because it started several years before it hit Houston; it's been there much longer. It's been well accepted; our associates find that they make more money and have more control. That, I think, speaks for itself about where this business is going. It works, it's been working, and it will continue to work.

I've been told that in suite rental SZ:

and booth rental salon businesses there is a ceiling. You have a certain amount of chairs or a certain amount of suites, you charge your rents, and you can never expect any more.

Burt: That is the nature of the suite rental salon business; as business owners, we understand that.

**SZ:** How do you get past that ceiling? Burt: We open more locations.

SZ: Do you have any other streams of revenue? Do you sell any products or apparel?

Burt: We have a retail store at the Salon Park located at Dairy Ashford and Westheimer. It's more of a convenience for the clients versus a revenue generator. Of course, our associates are permitted to sell products within their suites. Many of them are able to pay their rent with the profit they make from their retail sales within their suite alone.

SZ: What do you at Salon Park think about the Texas Cosmetology Commission change?

Burt: I think that it's going to be a good change. It will be hard at first to see the

changes that will be made because they're still learning what they have to change. I think that the approach that they're taking and the amount of effort, by having the town hall meetings per se, is good because they are going to the beauty professional to find out what needs to be changed.

**SZ:** Do you think that it will be stricter, a lot more fines?

Burt: I think that it will be more structured. I think that they will focus on the necessity of rules. I don't think that the rules that they have now are bad, but I think that they will have to enforce them. There will be more inspections and more inspectors because they have more money now. Inspections are good for the industry, and we invite them.

**SZ:** As a suite rental salon, are you affected if an associate breaks the Cosmetology rules?

Burt: The only thing that we are affected by, fine wise, is if the associate does not have a professional license. We're not affected when the associate has a sanitary violation or any other violation. Those fines are imposed directly upon the associate.

**SZ:** I think the changes will benefit the consumer the most.

Burt: I think so too. For the safety of the consumer, there has to be a strong licensing and inspection program. There are a lot of little salons with violations; nail salons seem to be the worst violators. They are the ones that have been known to create health problems. The inspection procedure has to be the strongest part of it. They have to have a good rule and have a way of enforcing it. That's for the protection of the consumer.

**SZ:** Exactly. I think that is so necessary. In just my circle of friends and family, some of them have had issues with fungus or someone in the nail salon had cut them and they became infected. I've even heard of someone getting hepatitis.

**Burt:** But, you realize it all boils down to money - the money to pay the inspectors. That is where the problem has always been. I think that the cosmetology board has done a good job over the years; they just didn't have the funding to do regular inspections.

**SZ:** What do you consider the most valuable asset is to your associates?

**Burt:** At Salons in the Park, our associates are surrounded by 50 or 60 other business operators just like themselves. They network among each other and they learn from each other. That is the most valuable thing in our setting; you're there with other business owners just like yourself. So, if you have a question about technique, advertising, taxes or anything else you can just ask your next-door neighbor or the salon managers for help.

**SZ:** Do your less experienced operators get very frustrated? What I hear about chair rental is that other operators are not willing to share technique or knowledge in things such as designing hair or doing nails.

**Burt:** We encourage potential associates to not come until they have their own established clientele; this eliminates competitiveness. Because the associates already have a clientele, they help one another; they are a family, not competitors.

They share techniques; they share color and other products between each other. The nail techs, hairdressers, and spa service providers even share clients amongst themselves.

**SZ:** Do many of your associates leave and go on to open their own salons?

Burt: We see some of that happening, but not a great deal. Most stylists' dream is to own their own salon. Most people that are hair stylists or nail techs or the like are better at their profession then they are at running a business. That's why we've tried to fix it where they can focus on their profession and leave the facility operations to professionals such as ourselves. It's challenging because anything can go wrong in salon ownership. They can work so hard and then the next thing they know, their

## "Most stylists' dream is to own their own salon."

air conditioning is out and it could cost six to seven thousand dollars, and they don't know how to come up with the money. That could kill a small business. In our type of facility, we take care of all that.

**SZ:** What do you think about those who have come behind you and modeled after you?

**Burt:** We've always had copycats. That's the ultimate compliment.

**SZ:** So, what do you think about those that copy your system?

Burt: Some of them come and then they go. Some stay around and do a good job with their businesses. Of course, we always like to have the best locations and we do. A part of the business world is competition; as business people, we understand that and we watch our competition to see if there is something we should be doing. We don't ever fail to take note. The biggest problem we have in this business is

finding good parking with our good locations. We use a lot of parking and finding good locations is difficult.

SZ: It seems as though you are staying on the cutting edge, you're talking about integrating wireless internet around the salons and your associates have electronic access to the building.

Burt: We try to stay on the cutting edge. We spend a great deal of time trying to figure out what we can do to make things better for our associates. Our people can come and work 24-hours a day. They have card access, so they're able to come in at any time, and many of our people do work late hours. We believe we bring a good product to the market for the stylists. It's amazing, the beauty profession, there are so many aspects of it.

**SZ:** What do you see as the future of suite rental business?

Burt: Based upon the history we have seen in Dallas, you will continue to see the suite rental business grow. What we see in Houston currently is that more and more beauty professionals realize that they have more control of their time, have more freedom, and make more money.

