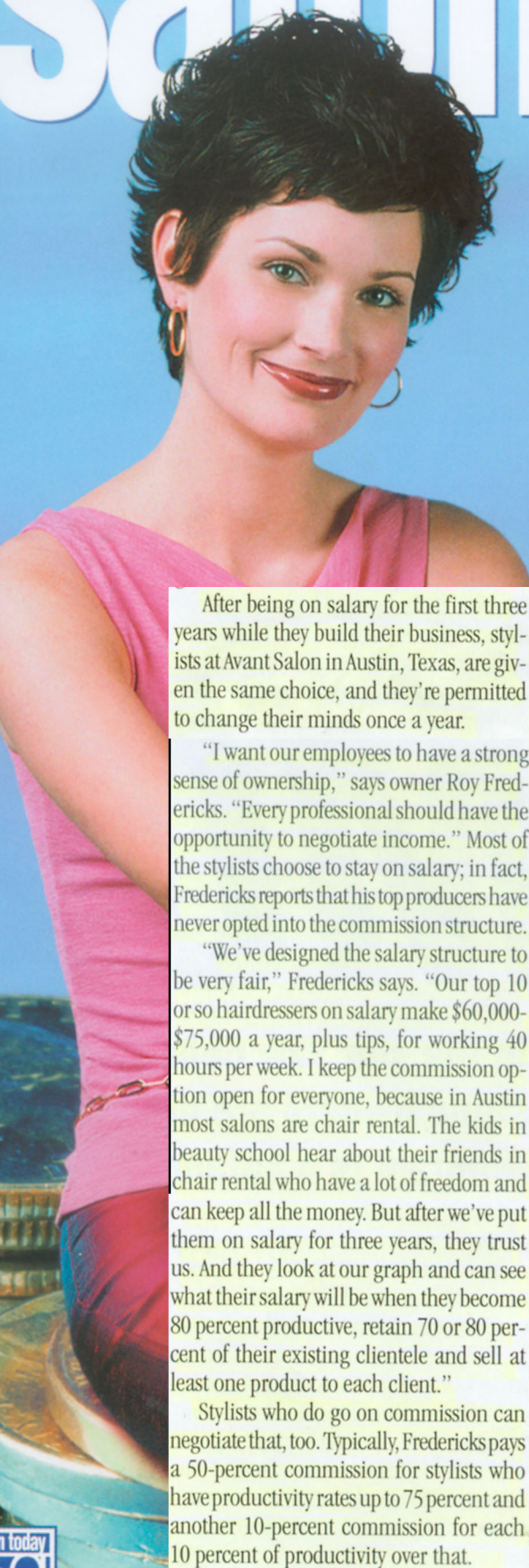


salon today

MAY 2001

For Finer Salons Only



SMART MONEY

Trim Your Costs, Protect Profits

After being on salary for the first three years while they build their business, stylists at Avant Salon in Austin, Texas, are given the same choice, and they're permitted to change their minds once a year.

"I want our employees to have a strong sense of ownership," says owner Roy Fredericks. "Every professional should have the opportunity to negotiate income." Most of the stylists choose to stay on salary; in fact, Fredericks reports that his top producers have never opted into the commission structure.

"We've designed the salary structure to be very fair," Fredericks says. "Our top 10 or so hairdressers on salary make \$60,000-\$75,000 a year, plus tips, for working 40 hours per week. I keep the commission option open for everyone, because in Austin most salons are chair rental. The kids in beauty school hear about their friends in chair rental who have a lot of freedom and can keep all the money. But after we've put them on salary for three years, they trust us. And they look at our graph and can see what their salary will be when they become 80 percent productive, retain 70 or 80 percent of their existing clientele and sell at least one product to each client."

Stylists who do go on commission can negotiate that, too. Typically, Fredericks pays a 50-percent commission for stylists who have productivity rates up to 75 percent and another 10-percent commission for each 10 percent of productivity over that.

PLUS:

Customizing Compensation

To Tip or Not to Tip

Postcards from Russia