

## 7 BUSINESS MISTAKES TO STOP NOW

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So are you guilty of any of these business errors?  
Most of us have to hold our hands up to at least one.



### Working *in* your business

This is the key message of small business guru Michael Gerber. If you have not read the *E Myth Revisited* then now is the time to buy a copy of this easy to read masterpiece. The E myth in the title is not some internet issue but is the mistaken Entrepreneurial Myth that just because you are a great stylist you will automatically be a great salon owner. The truth is, of course, that the necessary skills for the two roles are quite different. The salon owner needs to be a good business person in order to succeed.

If you own a salon and are spending all hours cutting hair then you have not liberated yourself. You don't own a business you own a job. You need to look carefully at allocating at least 40% of your time to running the business with the main aim of leveraging other peoples efforts (all in your own distinctive brand of hairdressing, of course) towards a good profit margin. You will find plenty to do marketing, training, monitoring performance standards, coaching your staff to higher levels of skill and developing your brand. It's all fun stuff too; but no scissors needed.

*How are you spending your time?*

### Poor delegation

The key to having people do stuff for you is effective delegation. How well do you do this? Even do you do it at all.

Too many owner/managers do everything themselves in the belief that it is quicker and safer.

Look on the [hairbizcoach.co.uk](http://hairbizcoach.co.uk) website for a full report on Effective Delegation. In the meantime check out your performance. Do you delegate a regular proportion of the management and administrative tasks to others? Do you do this by gofer delegation (go for this, go for that and tell me when you come back) or do you set up a stewardship ie a responsibility for the task. Doing this properly means that the other person knows what your expectations are what the guiding principles are and when the task must be completed. They have the freedom to do it their way provided they meet the standard. You will not be sitting on their back while they do the job it is *delegated*.

*Delegate effectively to utilize your team and get value for your money.*

### No business goals

So where is the salon going, this year... or even just this month? How many *more* people will you see, what percent *increase* in your profitability are you planning? How will you *raise* the skill, effectiveness or contribution of this or that stylist? Most of your female customers will use three and many four products on a regular basis (shampoo, conditioner, styling product and maybe finish). Will they buy these from you? How many will you convert to using your products this week? How many of your male clients will take up your offer to introduce them to the delights of colour? Are you happy that one of your stylists pretty much costs you to keep her in the salon. What is your plan to fill up her column?

*Set your goals for the short medium and long term now but most importantly Teach Your Staff Goal Setting* (this is the topic of a newsletter in August 2005). *Then you are using your team effectively.*

### Always putting out fires

Are you always moving from one crisis to another? Exhausting isn't it? If you have this as a problem then you need a touch of proactivity. Download my report on Seven Principles of Self Management from the hairbizcoach website.

Basically the ideal is to focus on the *important* rather than the *urgent*. The way that you make the shift in focus works like this...

Spend time thinking about how to make things work better. Look at all your processes. Are they efficient do they rule out errors by the way they are set up?

The next time a crisis occurs deal with it as usual (you have no choice in that) but then devote a little time to planning how to avoid that crisis ever recurring. The trick is you set up a process or practice that prevents the problem happening. To give you a simple example:

### The awfulness of spilt sugar

Once again someone has knocked over the sugar jar in the staff room.

*There is a sticky mess all over the work surface and everywhere you walk it crunches.*

*It is already getting carried into the salon on the soles of people's shoes.*

*If you don't get it all up you will have ants and mice and maybe even cockroaches all over the place. UGH!*

### So... find a new process

Next time you buy sugar you buy sugar crystals.

In fact you never buy anything else.

Everyone knows that this is the house rule.

You buy two packs and buy the next when the first has gone.

You always have one in hand

(so none is ever tempted to rush out and buy caster sugar from the corner shop because the sugar has run out)

It's a silly example, I know, but you get the principle. You probably already do this for some things - all the stuff you must never run out of; the things that have to be done like setting the burglar alarm; for sickness, holiday, insurance and so on.

*Your main priority is to work on building systems and growing the people.*

### No performance data

How much information do you collect on a regular basis? Do you know who your clients are, what each of them spends on an annual basis, how frequently they return. If you don't know this how can you focus your attention and marketing?

Perhaps in the last twelve months there has been a shift in the age structure and needs of your clientele; maybe the pattern of service has altered - towards more colour work or less?

Do you ask your customers what they want from your salon or do you feel that you know best what's good for them?

To increase your profitability requires a focused brand; successful marketing initiatives are based on an information led strategy.

Then there is team performance. Your maximum impact on the performance of your team will be when they have individual goals that they personally commit to. That means they need feedback in order to support forward momentum. You need information in order to coach them over difficulties and support them in reaching those business or personal goals.

If the performance data is visible to all then there is genuine individual awareness and personal responsibility. This is a very strong incentive to change and improvement.

Our report on Performance Dashboards (download from [www.hairbizcoach.biz](http://www.hairbizcoach.biz)) illustrates what is known in the business area about this topic and shows some useful techniques.

*To have your business perform better you have to know where you are now.*

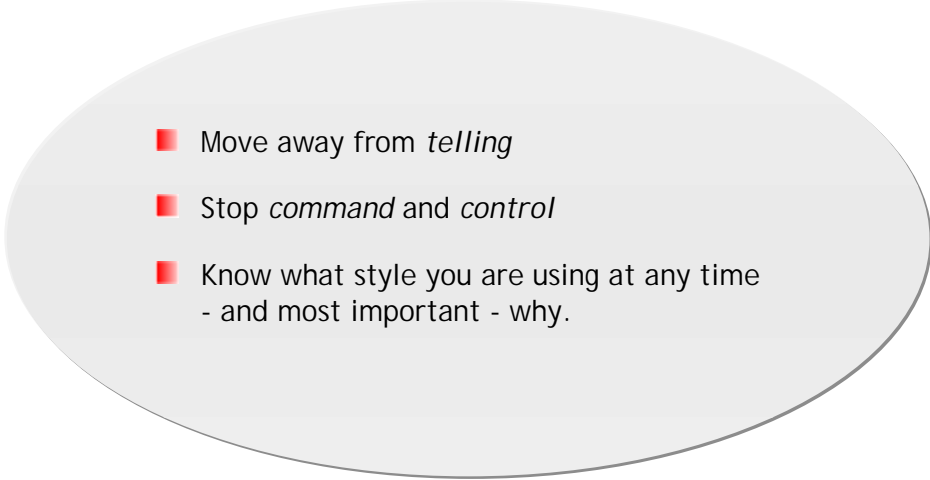
### Command & control leadership

How well your team will follow you will depend on how well you lead them. If you a seargent major in the army you tell your squaddies what to do and expect unswerving obedience – without question. This works for the army (for a variety of sepecial reasons and after specific training) but is poor leadership in business. There are better ways.

Great leaders work hard on their style of leadership. Historically Gandhi, Napoleon, Wellington, Churchill come to mind but with a great difference between the military commanders, the statesman and the prophet in this list in how they did things. In business today we might look at Branson or John Harvey Jones but there are leaders a plenty in hairdressing. Who impresses you? What is their style?

Daniel Goleman business guru and promoter of Emotional Intelligence defines four useful styles: a Coaching style, Visionary leadership, an Affiliative style and a Democratic one. Each has its place. More on these in a forthcoming newsletter.

*Three things matter about leadership.*

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- Move away from *telling*
  - Stop *command and control*
  - Know what style you are using at any time  
- and most important - why.

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