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# Navigating the Numbers: Client & Consultation Metrics

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Peter Drucker, known as the man who invented modern business management once said that if something cannot be measured, it cannot be improved. Thinking about this for a moment, it makes sense. As the business metrics section of the book, “Beautifully Profitable, Forever Profitable” reveals, the profitability of a spa depends on satisfied clients; therefore, measuring their satisfaction on a regular basis is vital.

The more your spa’s attention is focused on results that are important to clients, the better your spa will likely perform on outcomes important to the medical spa business, such as profitability. By tracking what’s important to clients, spas have better insight into what steps they can take to positively impact their client outcomes, thereby directly impacting business performance. When staff performance is only measured on and compensated for key business metrics such as sales rather than what clients actually

care about, staff will naturally do whatever is necessary to achieve the outcome that influences the key business metric. Staff is focused on achieving the business metric rather than helping clients achieve their desired outcome. By measuring the right elements, staff and client interests are aligned, improving both client outcomes and the bottom line.

## CLIENT & CONSULTATION METRIC

A client and consultation metric must be important to your clients. It must also be measurable in increments that clients value such as time, convenience, added value, and more. A good place to start is with a simple client satisfaction survey.

Use a short form with three to five questions that your clients complete at the end of their visit. A follow-up survey texted or e-mailed to them after their appointment results in a lower percentage of feedback. Ask questions that provide information about the client's journey. This should include their wait time for treatment, the ease of accessing your facility, the price to value relationship of the treatment they received, and more. You can go further and ask if they would recommend your spa to a friend or spouse. To encourage a response, offer, for example, a \$25 discount on their next visit. If possible, follow up with clients to obtain more details, especially in areas where they were dissatisfied. Asking for improvement suggestions is a great way to engage clients and can lead to valuable feedback.

Another suggestion is to hire a team of mystery shoppers to visit and then provide feedback to you about their experiences. The idea is to see your spa from the client's point of view.

## ANALYZING DATA

Digging into data you probably already collect can also yield a wealth of information. For example, what percentage of your clients are new versus returning? If you have a low percentage of repeat business, it is a huge red flag. Why aren't they coming back?

Is your monthly or quarterly total client count increasing, falling, or remaining about the same? If you aren't seeing an upward trending curve over time, your spa is in dangerous territory. What is your client acquisition rate? How many inquiries do you convert to appointments? What's the average time between repeat client visits? Is it increasing or decreasing, and why? Do you have a systematic method of reaching out to your existing clients so they re-engage? Holding client recognition events can boost reengagement, increase referrals, and positively affect the bottom line.

Another measurement that's helpful is the lifetime value of your average client. The lifetime value is the average amount of sales or profit a client generates for your spa over time. If this number is very low or falling, it's another red flag. The key is to determine why this is the case which involves client feedback.

You can also look at the breakdown of sales per client. What's the percentage generated from retail products versus services? Do you need to train your staff to educate clients on the availability and benefits of certain treatment options or skin care products for use at home to extend the benefits of their in-spa treatments? Should your spa offer a client financing option to make your services more affordable to budget sensitive clients? Some of these financing options are now available to spas with nonmedical affiliations.

What is your staff utilization time? Do you employ specialized staff or equipment that isn't utilized to their full extent? Knowing the products and services that are in greatest or least demand provides insight into better management of your spa. Bundling services, promoting retail products, and more can increase sales. Offering educational seminars or events that introduce or re-introduce new services or highlighting equipment and product benefits can lead to a faster return of investment. A team should train and implement these excellent proven methods to increase sales while growing a client base.

Looking at your spa from your client's perspective can yield valuable insights into achieving a more profitable and thriving spa. Identifying and implementing key client and consultation metrics will help you succeed.



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