



## Finding Efficiencies & Increasing Revenue February 2011

Monthly Snapshot Surveys provide ISPA members with a valuable look into the state of the spa industry, spa industry trends and also help to identify the needs of spa professionals. Snapshot Surveys are conducted on the third Friday of each month, with full results provided only to respondents two weeks from the release date of the survey. Knowledge is a valuable tool and these quick surveys provide a wealth of information shared by ISPA's members. The February 2011 Snapshot Survey requested information on finding efficiencies and increasing revenue.

Through the past 12 months, ISPA spa members utilized a variety of methods to cut costs and save money. Travel was the area that saw the most cuts over the past year with 19 percent of spas reporting they cut costs significantly in this area and 30 percent stating they reduced travel costs slightly. Nineteen percent of spas also reported they significantly cut fresh flower costs. Day spas reported the most significant reductions in marketing/public relations (18 percent) and fresh flowers (13 percent). Resort/hotel spas indicated the most significant cuts were made in the areas of fresh flowers (24 percent) and travel (20 percent).

Seventy-four percent of spa members do not offer incentives to employees for identifying efficiencies within the company. More day spas reported offering incentives than resort/hotel spas (28 percent and 20 percent respectively). Incentives offered include paid days off, cash awards, gift cards and recognition. Forty percent of spas do offer incentives for employees who generate new revenue or identify new revenue-generating ideas. Again, more day spas offer incentives than resort/hotel spas (45 percent and 35 percent respectively). Incentives vary, but one spa sends the employee on an educational trip while another holds a recognition luncheon.

Resource partners have also employed a variety of cost-cutting measures over the past 12 months. The most significant reductions were made in the area of marketing/public relations (15 percent) followed by employee incentives and/or bonuses and décor, both at 12 percent. In terms of what resource partners were unwilling to cut, education ranks the highest with 61 percent reporting they did not reduce spending on employee education and training and 58 percent indicating no reductions in client education and training. Only 35 percent of resource partners incentivize employees for identifying efficiencies within the company. Forty-one percent of resource partner members do incentivize employees for generating new revenue or identifying new ideas for generating revenue. Incentives include commissions, spa treatments at area spas and profit sharing.

The results analysis includes answers from all respondents who took the Snapshot Survey in an eight-day period from Friday, February 18, 2010 to Friday, February 25, 2011. During this time, 240 ISPA members responded to the survey. The category "all spas" referred to within the charts includes data from all spa respondents (day, resort/hotel, medical, destination spas and corporate spa headquarters).

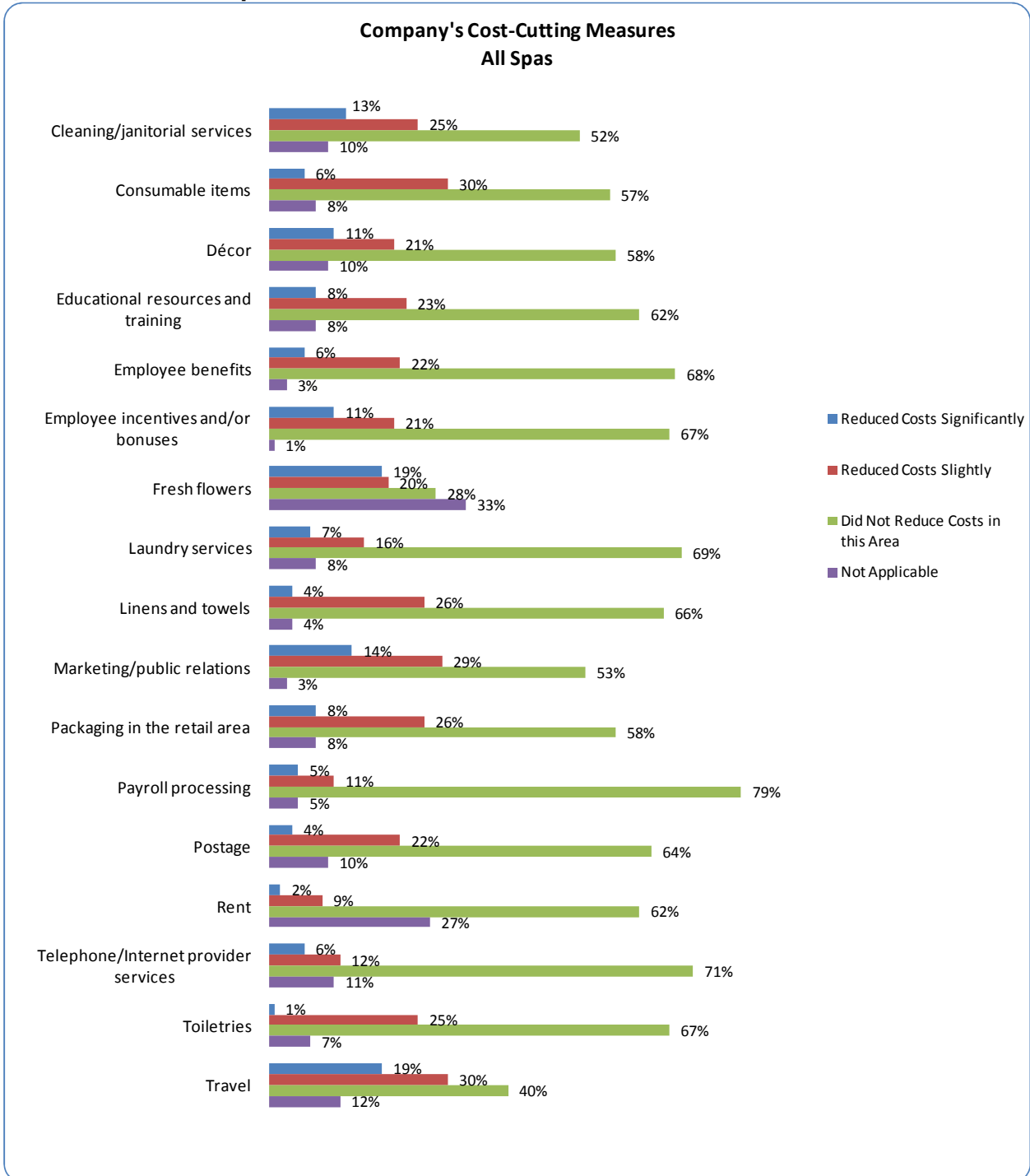
**Disclaimer:** This document contains proprietary information of the International SPA Association. For permission to reproduce any material contained in this publication, please call ISPA at 1.859.226.4326. If consent is granted, attribution to ISPA and other sources specified in the document should be made.





**SPA MEMBERS**

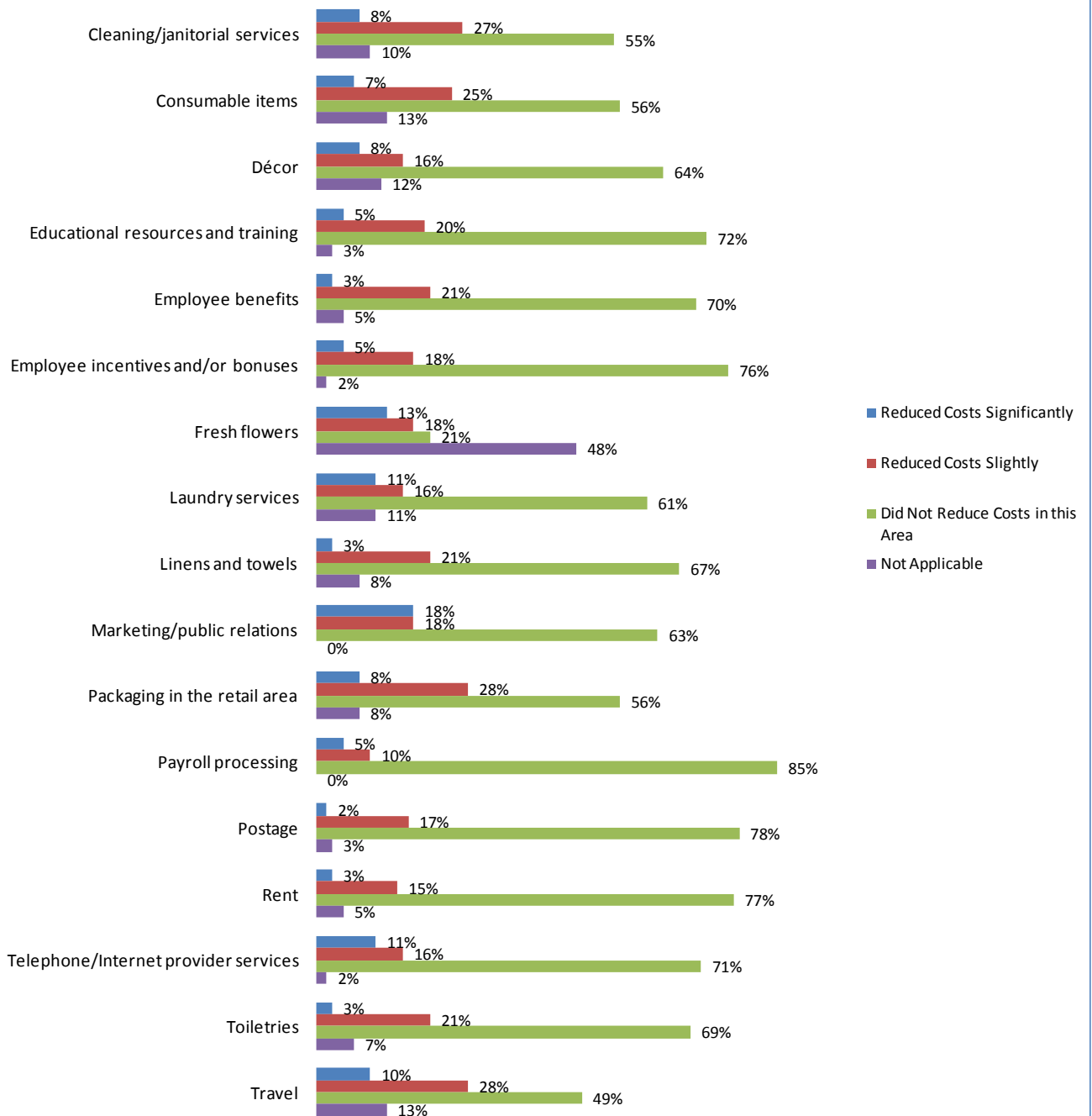
**Which of the following best describes your company's cost-cutting measures for the following items/services in over the past 12 months?**





**Company's Cost-Cutting Measures**

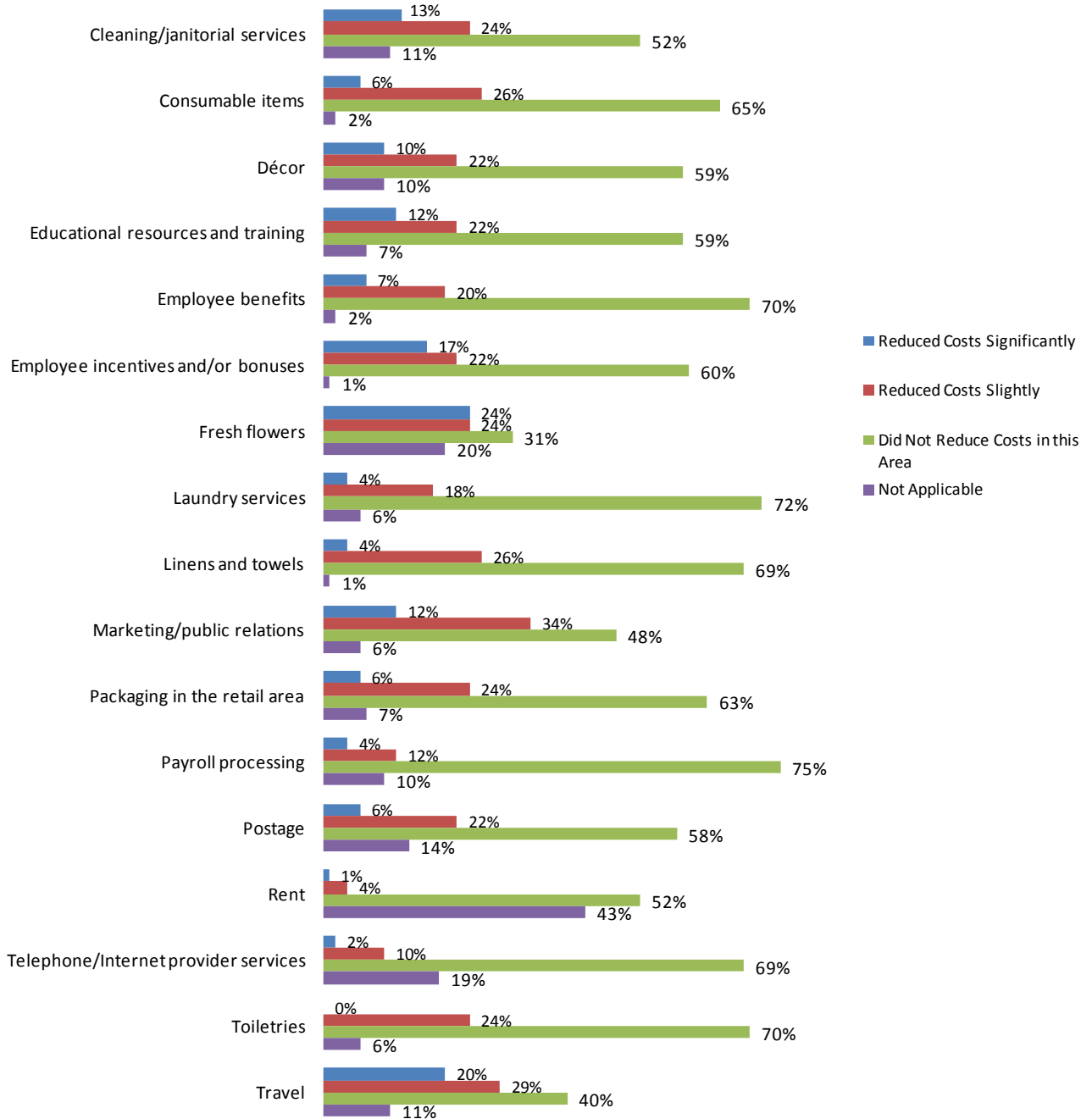
*Day Spas*





**Company's Cost-Cutting Measures**

*Resort/Hotel Spas*





**Respondents were asked to identify the most effective cost-cutting measure(s) implemented by their company in the past twelve months and the impact to the bottom line. Below is a sample of responses.**

#### Employee Hours

- Majority of savings due to eliminating FTE's in favor of part-time or on-call team members.
- Payroll hours have seen the biggest impact. Salaried folks have stepped in with extended hours and have increased the use of PTO to save costs.
- Staffing; monitor daily depending on guest traffic.
- Unapproved overtime and other controllable payroll related expenses.
- Changed a salary position to hourly reducing benefits and insurance.
- Payroll - really watching unnecessary overtime and in the state of California we have to watch for meal break penalties.
- We are allowing employees to adjust (reduce) their hours, without affecting their benefits.

#### Employee Other

- We are using more GoToMeetings and conference calls to significantly reduce travel expenses associated with in-person meetings (35 percent).
- Brought our accounting/payroll services in-house to save about \$1,500/month.
- Streamlined job duties to save on time, which reduced corporate staff and saved \$100,000 per year.
- Cross-trained staff to be able to do more and saved costs this way.
- Reduced travel and changed public relations efforts with in-house involvement.
- Hiring freeze; better with less.
- Reduced payroll, but cutting some percentage of employees' bonuses.
- Changed the structure of the employees. We were too top-heavy with management staff. Had a big impact on the bottom line.
- We reduced our payroll by 30 percent; shifts being picked up by spa management.
- Reduced payroll commissions by five percent. Converted staff to contract to reduce PTEB.
- We haven't cut costs, but we did not offer health insurance as originally hoped. We also have a very slim front desk and administrative staff.

#### Marketing

- We cancelled print advertising and used e-mail blasts instead.
- Used more social media than traditional advertising.
- Switching to social media as a marketing platform.
- Reduced marketing expenses by 35 percent.
- No more direct mail pieces, all e-mail, Twitter and Facebook.
- Switched to all Internet marketing and no mail-outs.

#### Vendor/Services

- Rent reductions.
- Switched phone/Internet providers and saved 45 percent (saved about \$300/month).
- Fifty percent reduction in housekeeping by converting from an after-hours service to in-house.
- Switching our data and phone to lower rate for same service resulting in 15 percent reduction.
- Found better pricing for spa items through medical or other sources than what we paid through many of our spa vendors.



- Started a bidding process for everything we order and demanded companies compete for our business which saved tens of thousands.
- Most effective cost-cutting measures include: telephone, using new technology, we reduced almost 150€ in communications each month.
- Switched workers comp and liability insurance carriers.
- Reduced PEO (payroll) services by \$1,000 per month.
- Got rid of the linen service and brought laundry processing back in-house. Switched to new cleaning products.
- Hotel property was able to negotiate with a new energy provider reducing our costs by 15 percent.
- Moved computer IT work and programs to the cloud which saved \$32,000+ per year.
- Started buying rose petals from a local florist near the spa versus having them delivered weekly. We also did a major price comparison on all items we order and only order from vendors with the best rates. We also made a change in the way we offer food to our guests. Instead of serving meals prepared in other kitchens we prepare most of it in our spa now for a much larger profit.
- Reduced energy costs by 30 percent by going with new linens, which in return reduced our laundry costs by 40 percent due to the fact we no longer have to use fabric softener and we use less detergent.
- We installed many "green" initiatives, particularly, geothermal heating and cooling, and thus far, are saving approximately \$1,500/month in energy costs (about 50 percent). We also began conserving on the use of towels and linens and started doing more laundry in-house as opposed to outside laundry services which led to approximately a 45 percent savings. Changed trash pickup service companies and received another 50 percent savings.
- Reduced linen costs by 25 percent by negotiating a new contract with our co-op.
- Reduced cleaning expense by 10-12 percent per month by having the night cleaners clean the treatment rooms used each day instead of all treatment rooms.
- Redesigned Web site with a new format to be able to implement changes more economically. Changed phone/web provider to save 10 percent and get better services.
- Negotiated lower sheet laundry charges.
- Negotiated lower rent with resort.
- We reduced the most with a new energy contract (36 percent)!
- Went "green" on all light bulbs (cut electricity by 1/3), switched to VOIP phones (cut phone bill in half), converted human resources to PEO (outsourced), and saved at least \$70,000.
- Reduced fresh flowers by 35 percent, reduced scope of overnight cleaners for a 10 percent savings, reduced marketing dollars by 10 percent and reduced training and travel by 10 percent.
- Reduced third-party cleaning costs by 50 percent by taking on more of the cleaning in-house during hours of operation.
- We changed our cleaning products to be greener as well as cost-effective. It is saving us approximately \$1,000 a month. We also stopped using paraffin for our pedicures and switched to an eco-friendly alternative equaling a savings of several dollars per treatment.
- Reduced back bar products significantly by switching product lines. Same quality, but less expensive. It equals a savings of 45 percent!
- Changed health care providers.
- Reduced costs for software and support services by switching vendors.
- Purchased our own towels for certain areas and laundered them ourselves instead of using our outside linen company - approximate savings of \$1,000 per month.

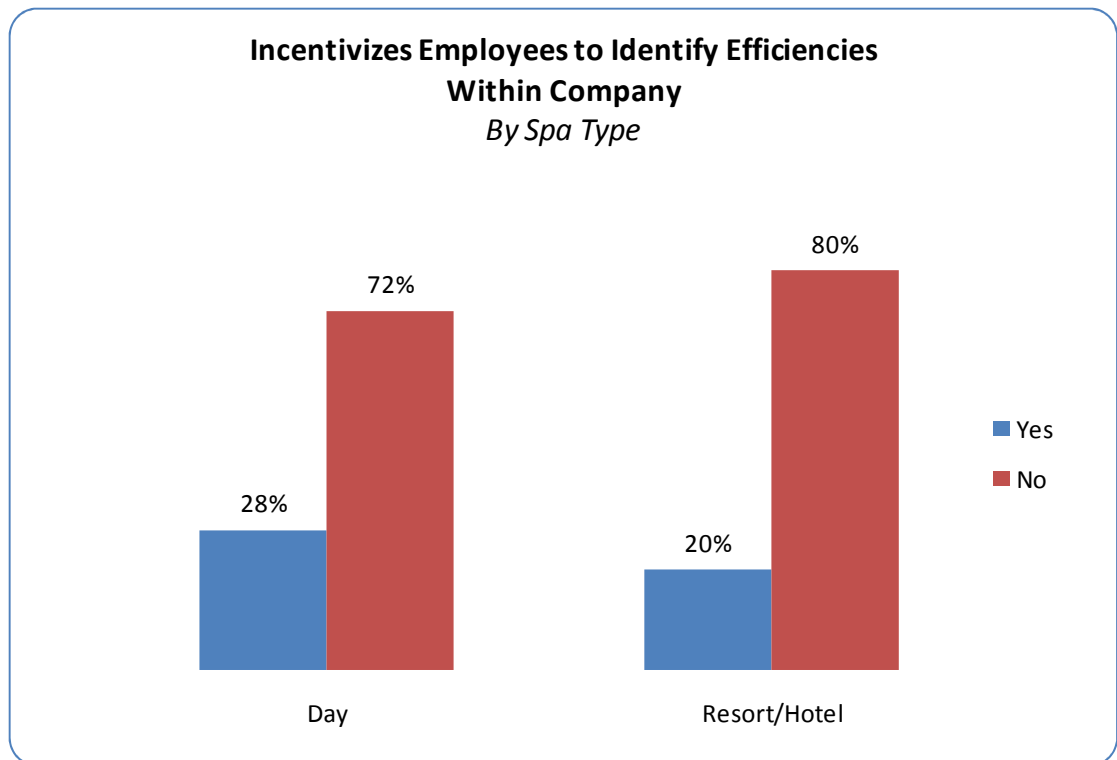
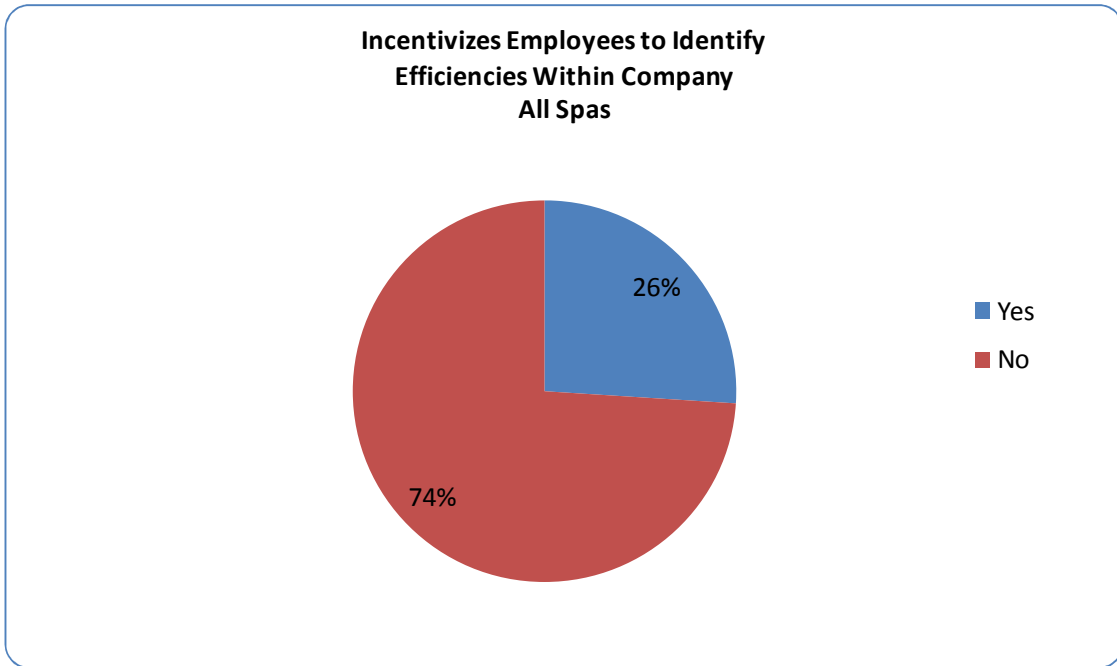


### Other

- Watching financials overall; keeping revenue in line with expenses; monitoring par levels and business demands; no single action will make a lasting mark; one needs to put sound practices into place daily.
- We closed part of the spa; however, it is not leased out yet, so we do not have a cost reduction at this point.
- We continued to reinvest and stepped up spending in some areas (cleaning, furniture and fixtures, and compensation potential).
- Instituted stricter use of back bar and less waste. If costs were reduced it was due to lower occupancy.
- Adjusted dispensers in change room to dispense small amount of product.
- Eliminated plastic water bottles and went with a filtration system. It saves around \$40,000 per year and supports our green initiatives.
- Not so much cost-cutting of late; we just made every effort to keep costs down right out of the gate four years ago. Renegotiating lease right now which looks promising. We shop the Internet for sales on supplies/consumables.
- Just a general policy of "if you don't have to, don't spend it."
- Management of our entire expense budget by consistently reducing costs and purchasing the minimums.
- Changing candles to battery-operated (rechargeable batteries).
- We are in such a growth mode companywide that we have focused on how we can streamline our operational process and pre-opening processes. We have invested in a project management software program which has saved us both time and money. We have also taken a look at our management contracts and made some adjustments that will affect our overall profitability.
- Inventory control and management; we have recently installed new systems to ensure our cost of sales is down in each department.
- We simplified our menu and eliminated rarely booked services which allowed us to lower our professional product costs.
- Itinerary processes all done electronically which saved on paper and postage. Eliminated plastic bags property wide; however, we did need to initially purchase new receptacles.
- We no longer stock extra towels in the locker rooms or pool area. Guests must ask for an additional one.
- We discontinued the use of disposable Swiffer wipes to clean our floors and use our old towels. For our body buffs, we used to use loofahs that we threw out; we now use Ayate cloth we wash and reuse.
- Our spa is working on going green so we are getting rid of individually wrapped locker room amenities. We have noticed a slight decrease in week-day services; therefore, we are working on payroll costs by doing split shifts and call-offs when applicable.
- Moved opening time back one hour which resulted in five percent payroll savings.
- Reduced inventory par levels to save money paid out. Reduced our expenditure by 15 percent, without costing retail revenue.



**Does your company have an initiative in place that incentivizes employees to identify efficiencies within your company?**





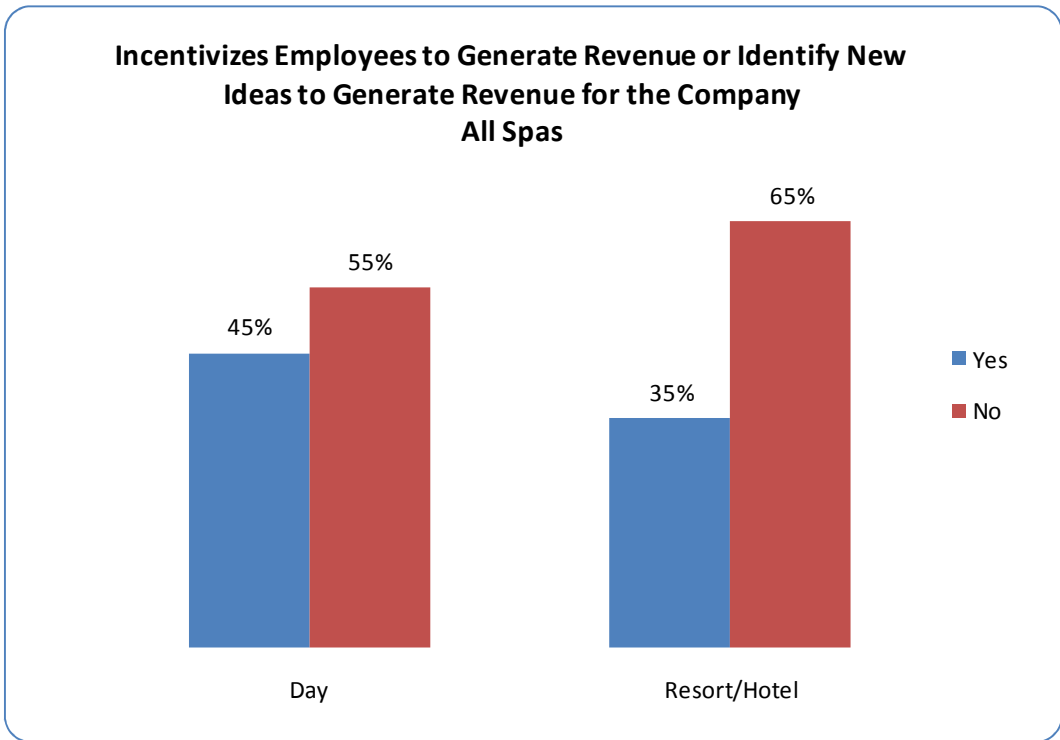
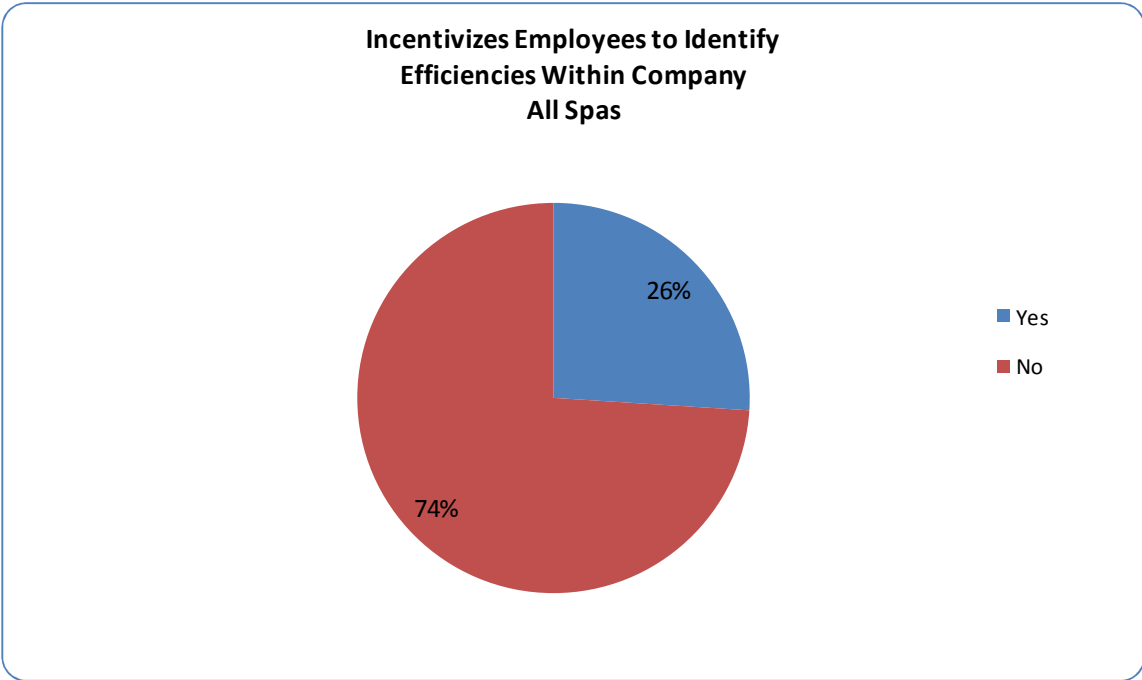


**Respondents who answered "yes" to the previous question were asked to describe any measures their company has implemented to encourage employees to identify efficiencies within their company and how they are recognized/rewarded for those findings. Below is a sample of responses.**

- Meetings every two weeks to discuss suggestions.
- Employees are encouraged to fill out suggestion cards on ideas for improvement to their area/department. When an idea becomes a workable initiative, the employee is rewarded with credits that can be redeemed with our partners for merchandise.
- The best idea creator receives an extra paid day off.
- We have Spa Improvement Forms on which staff writes down suggestions and we give spa dollars (dollar amount certificate) for very good suggestions.
- Recognition through a program we call SeaStar, where team members can accumulate points towards anything from gift cards, logo wear, treatments to night stays in other hotels.
- Via suggestion box, a cash prize is awarded each month. There is a grand prize for the suggestion of the year.
- Recognition for the best sales person via gifts or days off.
- Every Friday I schedule myself to be available in the lunch room for staff to ask me questions and for me to ask them questions. We have a suggestion box and we have a new ideas form for staff to fill out. If we use the idea and it saves the company money, I give them a bonus.
- We use a suggestion box, direct call to the controller and departmental surveys. Employees are given a cash reward for implemented programs.
- Ideas implemented by the resort receive a money reward and recognition.
- Employees who were able to recommend ways to improve efficiencies and create positive results through execution received on-the-spot awards. The accomplishment was also reflected on employee's annual performance review as a consideration for wage increase.
- Competitions with voucher exchanges with other spas in the local market.
- Recognized at weekly leadership meetings with reward of \$25 local merchant gift card.
- Each team member who provides a suggestion in our suggestion box is provided with a reward that gets higher if the suggestion is implemented.
- They do not need to be encouraged; they do it because they care for our guests.
- We have an ongoing program in which team members can submit recommendations, but recommendations must be submitted with plan, solution or program (and who is going to "own" the initiative).
- Cost savings programs where employees are given a monetary reward.
- Electronic recognition system for exceptional service or great suggestions - gifts range from \$10 - \$75.
- Added a best idea submitted weekly drawing for prizes.
- We offer a bonus tied to bottom line revenue.
- We are a spa located inside a destination casino resort. Our company offers many incentives and programs for building our services and does a great deal of training with management to train employees in guest services which, of course, builds our clientele.
- Reward program where employees earn points that can be redeemed for dinner, rooms, Nintendo Wii, airfare, or free treatments.
- Suggestion box implemented; quarterly bonus is used.



**Does your company have an initiative in place that incentivizes employees to generate new revenue for the company or identify new ideas to generate revenue?**





**Respondents who answered “yes” to the previous question were asked to describe how their company incentivizes employees to generate new revenue or identify new ideas to generate revenue. Below is a sample of responses.**

- Bonuses for new regular clients.
- Incentive compensation for achieving key metrics.
- Extra commissions for selling services outside the spa.
- When a technician upsells a service they receive an extra 10 percent commission on that service.
- Referral cards for the spa with the staff person’s name; that staff member is rewarded with spa services through a drawing.
- We give a 20 percent bonus to our staff for any new client they bring in and re-book.
- Earn extra money.
- Innovative idea winner goes on an educational trip.
- Not spa-specific incentives; however, we incentivize our team with cash rewards for group business with room nights attached. The spa will get spin-off business from any in-house guest, be it group or leisure.
- More commission for generating self-referrals.
- Bonuses based on number of services.
- Gift certificates and bonus.
- Offer additional pay for service upgrades.
- Commission toward upselling. Seniority points for therapist team based on new treatment creation.
- We have a new ideas form employees can fill out. If the idea is used, the staff member is recognized in my communication piece and gets a bonus.
- Travel dollars for non-sales people who put 1,000 room nights on the books in 2011.
- Employees get a percentage of the additional revenue.
- We have a reward system in place for recommending new staff members to join our team and getting customers to join our VIP e-mail list to save on marketing.
- Spa front desk upgrade or add-on booking incentive.
- We offer bonuses to those who refer a new hire. If that person is hired, a bonus is paid to them.
- Employees who were able to recommend ways to improve efficiencies and create positive results through execution received on-the-spot awards. Accomplishment was also reflected on employee's annual performance review as a consideration for wage increase.
- We are membership based, so anyone who refers a new customer that becomes a member gets an increasing bonus. Free personalized business cards and ad slicks are provided for this purpose.
- Employee of the month with recognition luncheon and employee of the year.
- The team earns points for retail sold and can turn the points in for products.
- We give spot bonuses to those who have an idea we implement; it can be up to \$500 and is immediate recognition.
- Each team member who gives a suggestion is rewarded. The reward is higher depending on the implementation of their suggestion.
- We have a complex referral program built for our entire company which tracks a referral to completion and integrating personal and group-related memberships, contacts, etc.
- All team members are on a bonus system based on revenue per working hour.
- Shared pool by front desk for enhancements. Service providers can upsell enhancements and receive a portion of the revenue. It has worked really well!
- Commission paid on increased service (upsells).



- Monthly incentive contests for each department - increase retail sales, upselling, etc.
- For upgrades of any kind, staff gets an incentive of 10 percent of the upgrade.
- Incentivized with group bookings for food and beverage outlets, weddings or large group spa experiences.
- Bonus structure in place to encourage retention.
- They receive 10 percent of the cost of product they sell.
- Program recognizes ideas that result in cost savings and/or revenue generating ideas with various awards, prizes and weekly/monthly acknowledgement via the management team.
- Managers receive bonuses based on unit profitability. Requires revenue growth and cost control together.
- Employee recognition, awards, guest service comments and awards, gift certificates, etc.
- Gift baskets and club certificates.
- Meetings with key staff to identify revenue opportunities. Commissions to spa director for memberships gained.
- Monthly contests for both therapists and front desk employees regarding upselling 90-minute massages and aromatherapy and deep muscle therapy.

**Respondents who answered "yes" to the previous question were also asked to share the most impressive idea for generating new revenue that was submitted by an employee at their company. Below is a sample of responses.**

- Partnerships with local chiropractors and small businesses (cross-promotions).
- Send a greeting card with a short message for any person celebrating a special occasion.
- Adding an advanced NMT service at a higher rate.
- Higher ticket item services that benefit them and us as a company. It's \$80 for a one-hour massage, but we implemented an integrative massage treatment that is \$150 for the same time - people are all over it...who knew?
- Creating area tours and taking guests on them for a fee.
- Poolside massage was generated by the therapist team and has grown to more than \$300,000 per year.
- Two of our employees demonstrated that the company would save money if we went from an eight-ounce cup to a six-ounce cup. They were able to demonstrate we would save on our tea cost, cup cost (by using a friendlier product) and that it was better for the environment.
- Give a re-booking reward in a sealed envelope to your client to be opened upon their next month's returned visit to encourage them to re-book at that time.
- If exiting customers pre-book their next massage for a Tuesday or Wednesday (our slowest days) they receive a free aromatherapy upgrade. Cost is minimal and it helped increase traffic on our slowest days.
- Moving 75-minute services to 80-minute and increasing the cost by \$5 per service resulting in an increase of \$35,000 annually.
- Birthday party packages with multiple add-ons.
- Groupon/Living Social - We offer additional enhancements and membership programs before and after booking.
- Book a second service on the same day and get 10 percent off.
- Selling advertising on the in-room channel and check stuffers for retailers in the vicinity of hotel.
- Gift basket options on pre-arrival itinerary forms.
- Buy X in retail and receive X off. This really helped drive traffic through retail and increased our retail sales in the 3rd and 4th quarters.
- Offering new members of a local gym a short-term membership to our spa locations.



- We offer media-generated monthly specials every month. This is also posted on our Web site and has really picked up our business. We also have incentive programs and the casino offers comps to our frequent players' club members. We also mail out coupons to our players' club members.
- Do a mid-week spa happy hour to drive business.
- Hand out bounce back certificates for salon guests that do not receive spa services. Converted new guests at a higher ticket per visit increasing total revenue.
- Free access to spa and fitness center for local community members for one month; thirty new members signed up.

**Respondents were asked to describe the most effective new revenue generator implemented by their company over the past 12 months. Below is a sample of responses.**

- Community outreach events where we work closely with the amenity management team from upscale communities in our area to introduce our spa to their residents.
- Eliminating the participation in upfront cost-type marketing and moving towards no upfront cost activities like Groupon and Travelzoo.
- Twenty percent off services on Tuesdays and Wednesdays.
- Cross-marketing actions with other local businesses.
- Having our technicians be hourly employees and sharing the responsibility of filling the schedule by having them out on property giving free chair massages and generating relationships and appointments.
- Pricing strategy for services resulted in increased participation in those services.
- Marketing gift cards to partners and sponsors.
- More e-mail blasts with great packages.
- We have expanded our retail offerings.
- Memberships with free treatments.
- Grassroots marketing and community involvement.
- We did a Living Social deal for a mani/pedi at Christmas and sold 1,400 which helped our slower time of year and kept our nail techs very busy. It was not super profitable, but good all and all.
- Began retail product sales and provided discounts.
- Advertising with "door hangers".
- Creating new counseling services and more take-home items for sale.
- Aggressive program of cost control.
- We are working to get companies to come into our spa to work with their own wellness programs.
- Enhancements up-sold within massage treatments.
- Our massage services continue to be our best revenue generator. By adding additional staff to our demand times, we have been able to continue to grow our revenue.
- Travelzoo promotions.
- Living Social promotion.
- Created new, longer and more luxurious treatments and raised the prices for them.
- Our VIP e-mail list of 6,500 which has cost us only \$75 a month to advertise.
- Offering spa packages bundling together mini-spa services.
- Loyalty program.
- Participating in Travelzoo to offer discount vouchers for massages and also implementing the apothecary bar for scrubs and wraps. This is a very low-cost service to offer with a high-cost to guests making a very nice profit margin with a unique guest experience.



- Radio advertising.
- Partnering with various local social and charitable organizations to provide mini-spa parties on our premises for their memberships. Also, we have gained scores of new clients through social media and all forms of the Internet.
- Corporate office implemented a loyalty program for our client base.
- Began a more coordinated marketing effort to include e-mail blasts, a blog and Google AdWords to announce specials and new spa programs. The most effective revenue generator was a one-day special we ran during the week prior to Valentine's Day for discounted certificates that created an overwhelming response!
- Adding upsell services that include hot stone massage, aromatherapy and deep muscle therapy (using hot towels and applying Biofreeze during session).
- Introduction of a new strong skin care line that focuses on effective facials; rather than just having basic facials for a spa, we focus on intensive facials.
- Ability to buy gift certificates online.
- Room packages.
- Incentives for referrals to front desk agents of resort.
- Implementation of our own signature product.
- Martini and Manicure night. We engaged our beverage vendors; they helped with printing collateral, provided the alcohol below-cost and gave us their marketing list. It was a huge success.
- Active recruiting and an aggressive incentive plan for those that attract new associates with a client base, especially in the salon department.
- We changed our retail incentive program to reward higher sales with higher commissions. This resulted in a massive increase in retail sales.
- Direct mail pieces – 50 percent off for you and a friend.
- Innovation sells regardless of the economic state - new technologies in skin care, hair care and nail care have outperformed other categories in retail and service. A specific example is shellac by Creative Nail Design.
- Bundled service offerings at a discounted rate, encouraged multiple bookings for greater cost efficiencies and allowed for a discount to be passed on to the consumer.

**Respondents were asked to identify any efforts made by their spa's resource partners/vendors to help reduce costs or generate new revenue. Below is a sample of responses.**

- Product knowledge training, gift with purchase offers and team member incentives for sales volume.
- Product with purchase.
- More sample products were given to us.
- Incentives when buying gift cards online and retail outlets.
- Packaging FF&E and finding shipping companies that also offer package rates.
- Great support by our vendors to allow us added-value to packages with product inclusions.
- Taking appointments online.
- Longer terms. More gratis.
- Free shipping offers on large orders. One introduced a staff incentive program where they previously had none. Some end-of-year/quarter promotions.
- We've just been partnering more with our resource partners to find win/win programs, events, etc. that will benefit us both.
- Vendors are offering sales incentives via product/gift card gifts for goals met.
- One distributor helps by giving back a percentage of purchases in product to use as a gift with purchase.

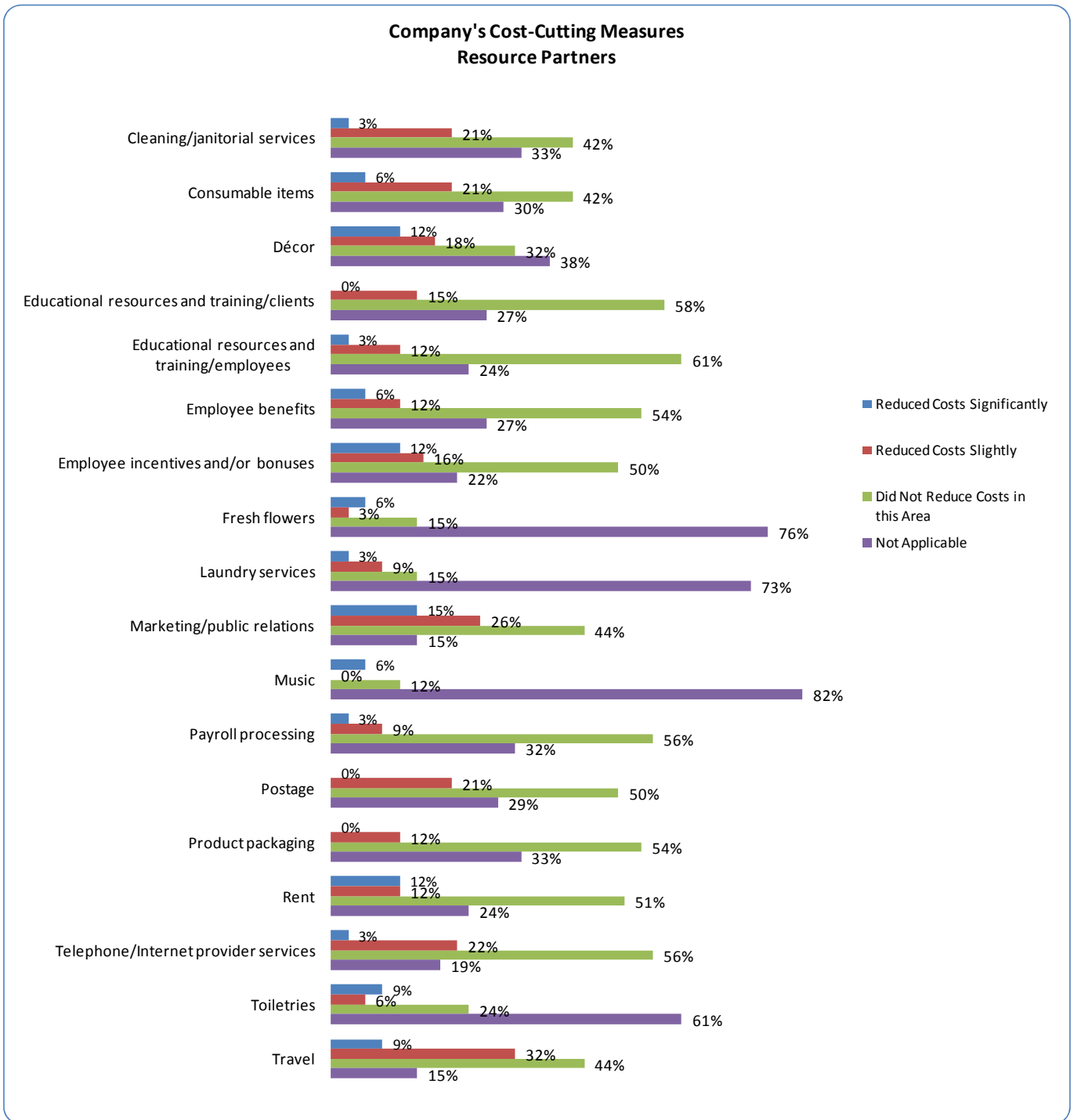


- Vendor working with us closely to develop our in-house events for the entire year; another rewarded our spending from 2010 with free back bar for 2011.
- Some vendors have removed minimum order requirements and we have stopped ordering from companies that would not. We also have some vendors with great incentives and freebies that we have been able to use in back bar and treatments to reduce treatment costs.
- Vendors have been offering slightly lower shipping and handling charges when possible.
- Two of our vendors have implemented more customer incentives at no cost to the spa. This boosts our retail revenue.
- Reduced shipping costs; new product promotional offers; more free educational opportunities for employees.
- Vendors working with us on promotions, events and preferred vendor programs.
- Our skin care principle will arrange training meets and conferences for our staff to improve their skills, training as well as brand knowledge.
- Review of freight costs and finding best pricing, not most convenient.
- We have made offers with some of our partners to donate a percentage of their appointment to their local school of choice.
- We have consolidated all our locations and have received deeper discounts with our primary vendors as a result.
- Gift with purchase incentive for guests and vendor-sponsored sales incentives for staff.
- I have asked each vendor for an overall discount and have done several comparisons with competitors to ensure the pricing we get is the best.
- Many of our resource partners have implemented incentive programs that allow employees to have friendly competitions and receive rewards.
- They let us know when they have specials or if there is minimum order amount to get free postage.
- We have a few vendors offering ongoing discounts for keeping a certain order amount each month.
- Our vendors are offering more gratis for promotions.
- Sample programs and open house participation for product and service demos.



## RESOURCE PARTNERS

Which of the following best describes your company's cost-cutting measures for the following items/services over the past 12 months?



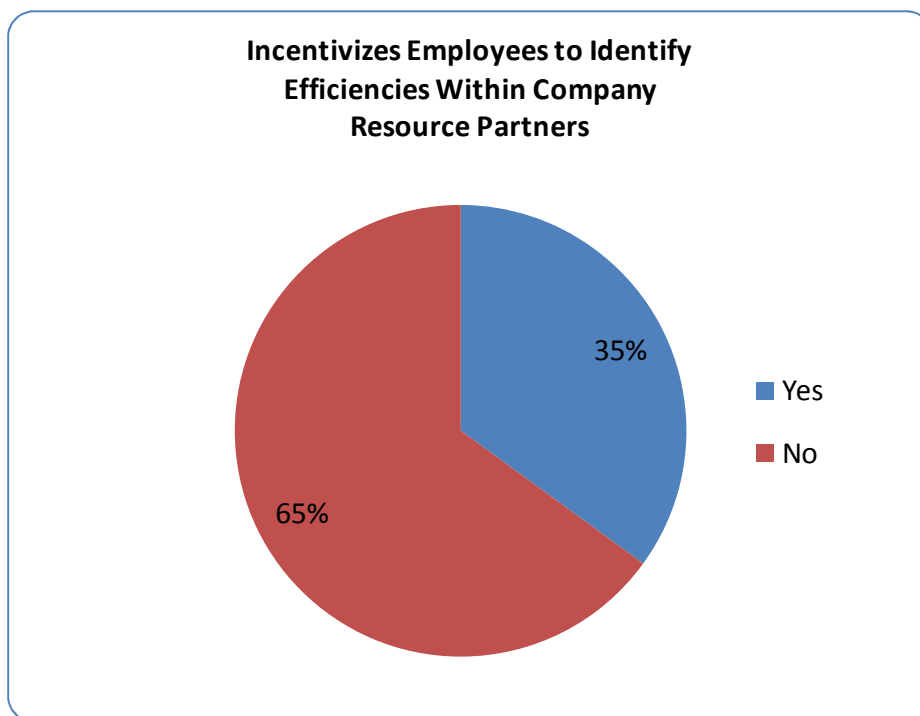




**Respondents were asked to identify the most effective cost-cutting measure(s) implemented by their company in the past twelve months and the impact to the bottom line. Below is a sample of responses.**

- The lay-off of 10 people reduced fixed payroll costs by \$65,000. Not an easy thing to do!
- Less travel by utilizing webinars, Skype and various multimedia opportunities for communication.
- Implemented webinar education and reduced travel/training expenses by \$10,000.
- Reduced headcount by 60 percent.
- We reduced our rent resulting in a savings of \$600 per month.
- No salary increases.
- Reduced shipping costs 5 percent.
- Marketing is now in-house which cut costs by more than 60 percent.
- We placed local trainers in areas to cut travel expenses. This has reduced our travel budget by 35 percent.
- Reduced telephone services cost by 30 percent (\$800 per month) by setting a password on the line.

**Does your company have an initiative in place that incentivizes employees to identify efficiencies within your company?**

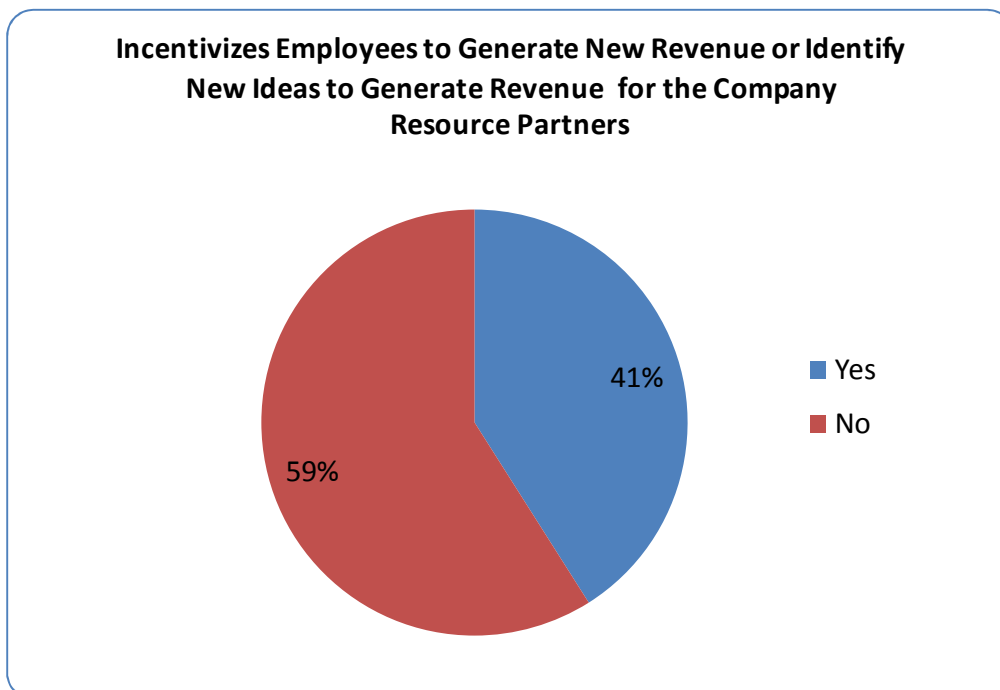




**Respondents who answered "yes" to the previous question were asked to describe any measures their company has implemented to encourage employees to identify efficiencies within their company and how they are recognized/rewarded for those findings. Below is a sample of responses.**

- Most of our measures are in the area of manufacturing and production. We have converted to a Lean Manufacturing Protocol that significantly cuts costs and saves time.
- Have asked employees to prepare, in advance, to reduce "express" shipping costs. Recognize employees with special luncheons.
- It is our culture for all employees to identify opportunities at any time.
- Ensuring that lights, music and heaters are turned off each night.
- Percentage of savings for reducing the cost of our pay-per-click ad campaigns.
- Recognized in team meetings for the winning idea and impact to the company.
- By setting goals and receiving a bonus when achieving those goals.

**Does your company have an initiative in place that incentivizes employees to generate new revenue for the company or identify new ideas to generate revenue?**



**Respondents who answered "yes" to the previous question were asked to describe how their company incentivizes employees to generate new revenue and recommend new ideas to generate revenue. Below is a sample of responses.**

- Commissions.
- Finder's fees and referral fees.
- We reward with spa treatments at area spas.
- Commissions or bonuses on new sources and accounts.



- Profit sharing.
- Sales incentives, gift card sales incentives and retail sales incentives.
- Centers around improving customer satisfaction (with tangential benefits to revenue) and also spotting opportunities in which we can help customers use our technology more effectively with additional training or add-ons.
- Higher bonus potential on new business.
- Giving some awards or dinners when achieving the budget.

**Respondents who answered "yes" to the previous question were also asked to share the most impressive idea for generating new revenue that was submitted by an employee at their company. Below is a sample of responses.**

- Marketing products in new distribution.
- Cold calling.
- Marketing old clients vs. current clients.
- IT conferencing.
- Usually in the marketing realm - new flyer ideas, videos, better posts on FB and Twitter.
- Entering into the social media network.
- Generating business intelligence or marketing data from a customer and scheduling a walk-through of our products with the customer's data.
- We are looking into an e-commerce site.

**Respondents were asked to describe the most effective new revenue generator implemented by their company over the past 12 months. Below is a sample of responses.**

- New product launches.
- Service gift pricing and in-resort room selling.
- We launched a very innovative product and increased sales by \$130,000 over a three-month period. The increase did not cannibalize existing sales.
- ISPA!
- Introduction of new products.
- Submitting information to blogs.
- Sales management system.
- Encourage customer service employees to "suggestive" sell and add on.
- E-mail marketing and teleconferencing via Skype to overseas prospects.
- Making it easier to try and order products (sending order forms) along with information.
- Becoming nationally approved to teach Reiki to massage therapists and body workers for CE hours.
- Hiring more salespeople has been the most successful method so far.
- Spa Buzz events and networking events.
- Increased free education and customer service program.
- Making promotions together with other companies.