



## Training and Wage Increases February 2012

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 2012 Snapshot Survey requested information on training and wage increases. In addition to current training practices, this month's Snapshot Survey also provides data from the September 2009 ISPA Snapshot Survey when some of the same questions were addressed to allow for easy comparison.

In regards to training offered to employees in 2012, the largest group of spa respondents offer new employee orientations (93 percent). In 2009, the largest group of spas offered in-house, hands-on vendor training (94 percent). From 2009 to 2012, the area of training that saw the largest increase was virtual vendor training rising from 52 percent offering it in 2009 to 60 percent in 2012. When looking at day spas versus resort/hotel spas, the type of training that saw the greatest variance between the two groups was off-site, hands-on vendor training with 56 percent of day spas offering it compared to only 28 percent of resort/hotels. When comparing day and resort/hotel spas in regards to the amount budgeted for training per employee, there was a fairly significant difference with the largest group of day spas (36 percent) budgeting \$251 - \$750, while the largest group of resort/hotel spas (47 percent) fell in the \$1 - \$250 range.

In the past year, 47 percent of spa respondents implemented performance-based increases for their service providers. Sixty-three percent of day spas implemented performance-based wage increases compared to only 39 percent of resort/hotel spas. The next largest difference occurred in cost-of-living wage increases with only eight percent of day spas implementing them compared to 24 percent of resort/hotel spas. One out of four spa member respondents did not implement any wage increases for service providers in the past 12 months. Thirty-six percent of that audience noted their last wage increase for service providers was implemented prior to 2008. Fifty-seven percent of ISPA spa members said wage increases did not change due to the recession; however, the results again vary between day spas and resort/hotel spas with 71 percent of day spas saying wage increases did not change due to the recession compared to 47 percent of resort/hotel spas.

The February results also provide insight into resource partners' current and past training practices along with wage increase data. In both 2009 and 2012, the largest group of resource partners offered complimentary hands-on training at the client's spa, but the percentage did decrease in the three-year span (61 percent in 2009 versus 52 percent in 2012). In regards to tools offered to spas to measure staff product knowledge, hands-on evaluations led the way in both 2009 and 2012 (35 percent and 51 percent respectively). Seventy-seven percent of resource partner respondents said that client training is not dependent upon account revenue. In regards to training budgets, the largest group of resource partners (29 percent) budgeted more than \$2,000 per employee. When looking at employee wages, 46 percent of resource partners implemented performance-based wage increases in the past year.

The results analysis includes answers from all respondents who took the Snapshot Survey in an eight-day period from Friday, February 17, 2012 to Monday, February 24, 2012. During this time, 339 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, spas under development and corporate spa headquarters). The resource partner category includes spa consultants.

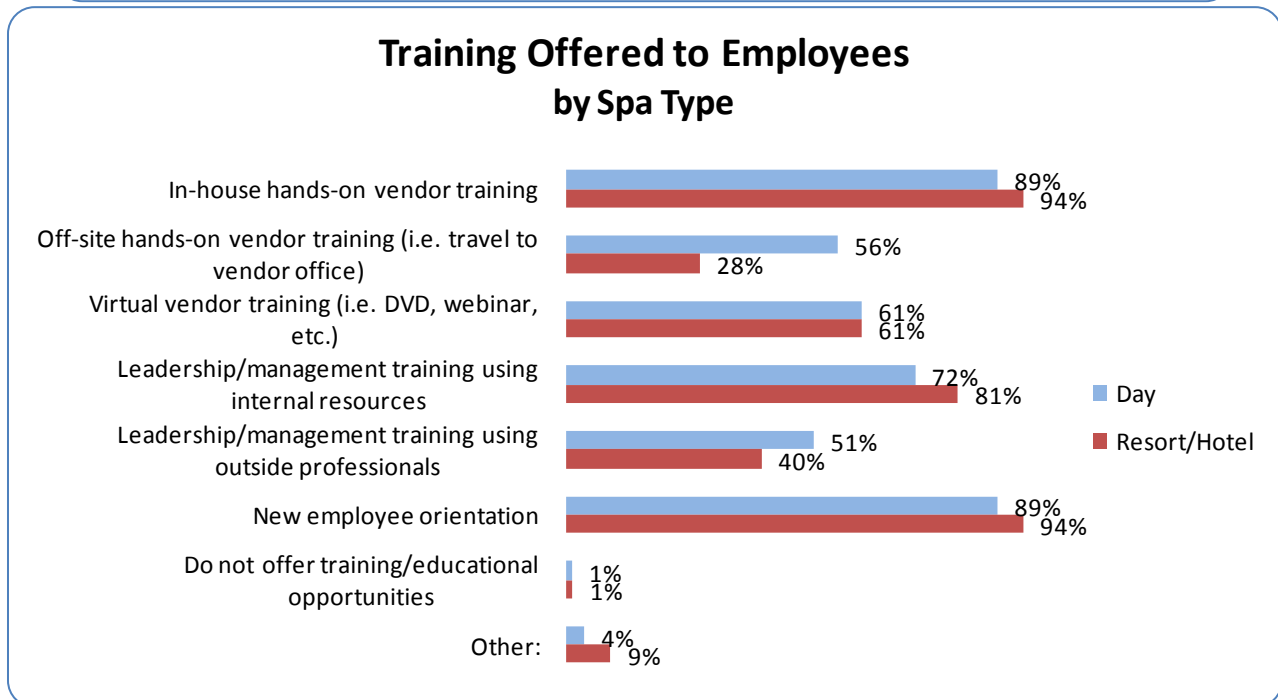
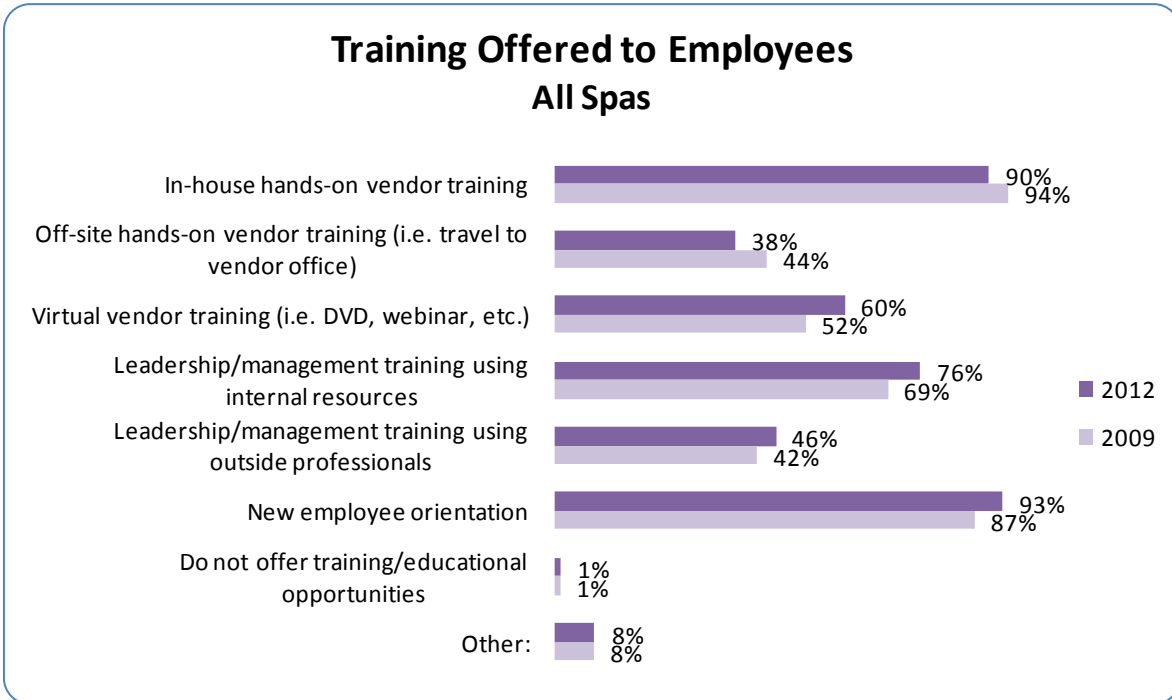
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**SPA MEMBERS**

**Which of the following, if any, types of training does your company offer to employees? This same question was included in the September 2009 ISPA Snapshot Survey and those results for “all spas” are also included for comparison.**



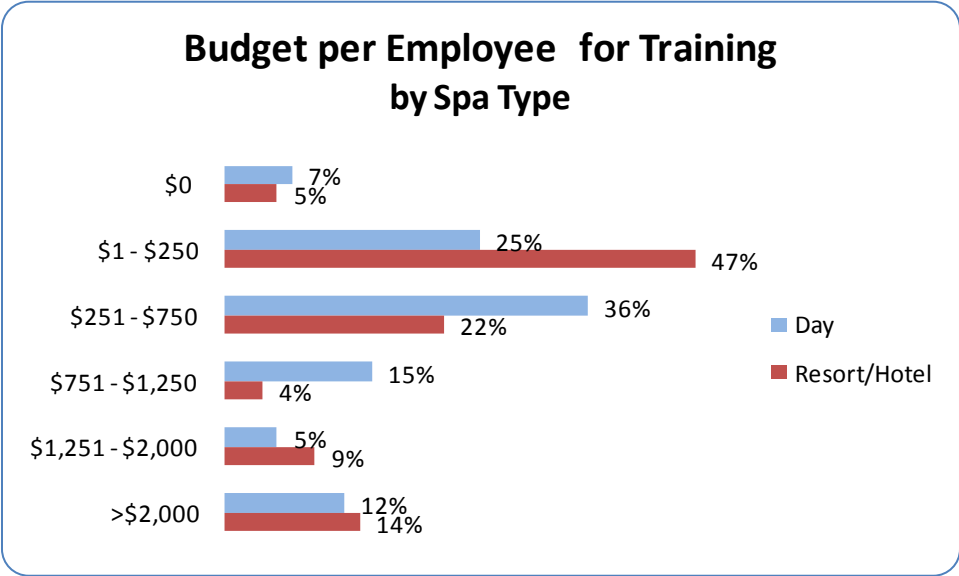
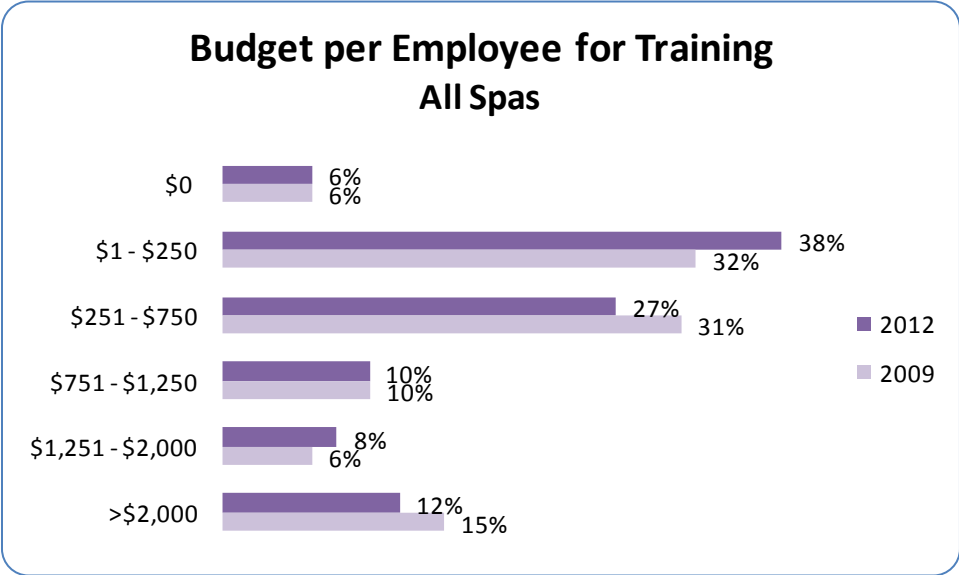


**Respondents who answered “other” to the previous question were asked to provide the training type offered. Below is a sample of responses.**

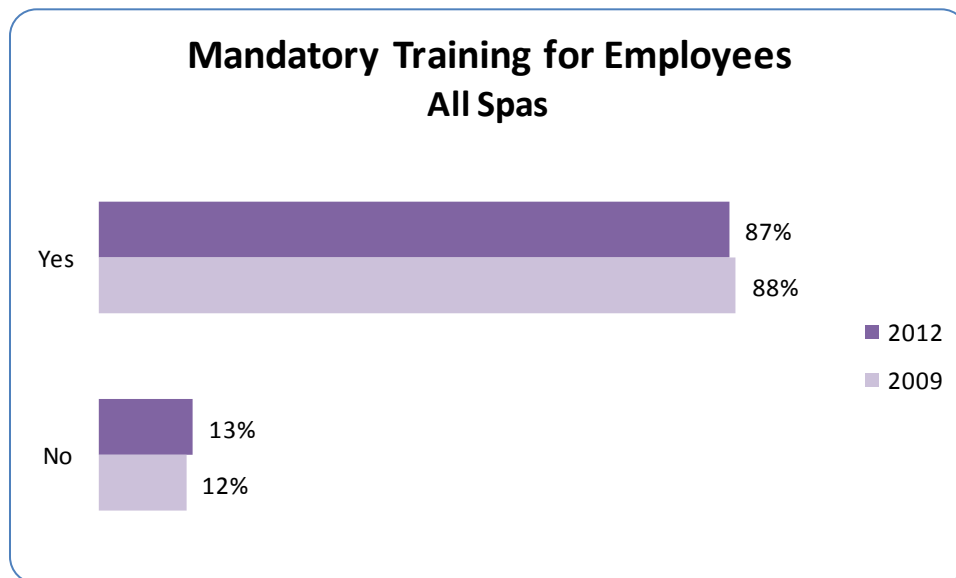
- Ten-day in-depth training.
- CEUs.
- CEUs for massage therapists, college covered courses, partial reimbursement for trade school for nails, massage, and esthetics.
- Conference and workshops.
- Guest service training.
- In-house training for new skills by nurses, doctors or spa trainers.
- ISPA Certified Supervisor training.
- Online corporate supported.
- On-site CEU opportunities.
- \$2,000 education reimbursement annually for continued education; based on pre-approval and must be industry related.
- Special techniques or treatments - from professional therapists or schools -usually on-site.
- Technical training with our own team members.
- Therapist training by other outside therapists.
- Trade shows.



**Approximately how much is budgeted per employee at your company for training expenses this year? This same question was included in the September 2009 ISPA Snapshot Survey and those results for “all spas” are also included for comparison.**



**Does your company have mandatory training requirements for employees? This same question was included in the September 2009 ISPA Snapshot Survey and those results for “all spas” are also included for comparison.**



*Please note that the results for both day spas and resort/hotel spas were the same as the all spas results above.*

**Respondents who answered “yes” to the previous question were asked to describe the mandatory training requirements. Below is a sample of responses.**

- One company monthly meeting required. Once a year, we close down for two to four days for company-wide training; contribute to annual CEU training.
- One full day of orientation and one full day of guest interaction training called World Host.
- 1.) Keeping licenses and certifications current; 2.) Attending new classes in the fitness field; and 3.) Mandatory attendance at staff/training classes.
- One and a half days of orientation and guest service training. One week of on-the-job training with team trainer, additional training as needed via vendors or trainers on various massages of facial modalities.
- At least two different trainings for each employee.
- Two-day new hire orientation, twice annual leadership all-day trainings, twice annual treatment trainings for body workers, and monthly webinars for body workers.
- Five-star guest service, product knowledge, and protocol training.
- Six-month to two-year internship program prior to going on the floor to perform services, as well as advanced education quarterly.
- Eighty hours of guest services training, and two days training on our treatment protocol for our practitioners.
- About guest services, company philosophy, on-site sales and up sales.
- All employees are required to participate in vendor sponsored training and then additional training is necessary prior to performing services on guests. There is also on-going internal educational classes and external education requirements
- All employees are required to go any training that is associated with their particular department (guest service training for spa desk, hands on training for MTs and estheticians for specific services.



- All employees go through at least a two-week training period where they are mentored. We require that our technical staff do "apprentice" appointments as well, before they are allowed to be "on the floor".
- All employees go through orientation training and service culture training.
- All employees must attend any new training classes that are in their field.
- All employees must attend brand training.
- All employees must attend mandatory trainings. No exceptions. If employees leave within six months of mandatory training, they must pay for half of the training.
- All employees must go through orientation and service training. All technicians need to complete their required hours for renewal, as well as any additional mandatory training we introduce through the year...new service and product training.
- All estheticians attend quarterly product trainings. All spa associates attend three meetings per year for spa training.
- All new hires for front desk go through a mandatory two weeks of training. Technical staff trains for two to four days depending on department.
- All new teammates are required to attend a full-day training course on the campus amenities as well as to better understand our culture and customer service efforts. This day is paid using hourly wages.
- All new therapists are required to practice and test out on menu services. Front desk staff required to complete an introductory 40-hour training period. Lead therapists and retail staff are required to participate in quarterly vendor training sessions provided in-house with the representative.
- All staff must participate in annual retraining with Forbes for five-star service standards. All staff members undergo an employee orientation.
- All the employees are trained for three weeks as soon as they get in the spa.
- All therapists are trained in our minimum requirements and tested on a basket of services. They must pass all training requirements before being placed in front of customers.
- Anatomy & physiology basics and advanced knowledge; body & face treatment; product & retail knowledge; customer service & excellence; five-star therapist grooming standards; and best health practices & sanitation.
- For any mandatory education, we pay for 100 percent and we pay their wages while at education. All new team members need to attend mandatory product knowledge classes at our distributor. Based on department, they may have to take a technical class on-site at our distributor.
- As a Four Seasons Hotel, we have specific standards to follow and this training is mandatory. Specific hands-on and product training is a must along with additional retail training.
- Brand training.
- Certain classes for management are mandatory and then some vendor/guest service trainings are mandatory.
- Certification plus four years of experience for massage therapists. Once hired two weeks of classroom/practical training of all treatments are required. For front desk, classroom computer and guest service training, plus virtual training on retail products. Lounge attendants must complete one-week of classroom training on guest service and cleaning standards.
- Company standard operating procedures.
- Core standards, company cultural mission, exceptional guest satisfaction, and practical hands-on for their specific role.
- Core standards, company philosophy, how to solve a difficult situation, safety and security policies, etc.
- Corporate-mandated training such as inappropriate behavior, OSHA training and required CPUs.
- Corporate webinars, in-house training, vendor training.
- CSS required for all supervisors, managers and directors. Various requirements by position.



- Customer service, first aid, and tip reporting.
- Department orientation and service providers complete a three-day training program with manager and lead. Spa coordinators must complete a five-day training program.
- Departments vary but trainings typically range between two to five days (hands-on). There is also a required full day of training for full-time employees, the training covers customer service and company history.
- Depends on the position, but includes: new hire orientation, 90-day building success action plan, leadership boot camps, and webinars.
- Diversity training, harassment training, loyalty program training, and Forbes training.
- Each employee must receive SOP training as well as spa menu training prior to going on to the floor. There is also a mandatory hotel orientation every employee must attend.
- Each new employee has to go through our orientation training and all employees are required to attend any in-house or company provided training for their department or assigned by their manager.
- Each of our services were created with mind, body, energy and emotion components and requires training in order for each guest to receive the signature treatments promised. We train our therapists how to bring their nurturing intentions forward in everything they do.
- Each staff member is to have a minimum of one hour per month per staff member in training. For leaders, an additional monthly training is also mandatory.
- Emergency evacuation, workplace harassment, CPR/first aid, inappropriate guest, fire safety, and hazcom.
- Employee must be signed off on all brand standards and department SOPs.
- Employee new hire orientation for all and for the spa we require three to four hours of training with one of our lead therapists.
- Ethics training, new hire training, and sales training (front desk).
- Every new associate is required to complete department-specific training prior to serving guests. We also provide mandatory continuing education by service department.
- Every new employee must take company orientation, have a period in their department with a buddy coach and have departmental specific position training.
- Every new employee receives in-house orientation training ("the way we do things here" kind of training); all technicians are required to attend training classes conducted by senior level trainer employees in their particular area of expertise. New service technicians are also required to attend our skin care vendor's facility for five days of hands-on training. All employees must attend training conducted by each of our vendors from time to time on-site. Also, all service technicians are required to receive training in all of the specialized services that we offer.
- Every three months we have hands-on continuing education.
- Health and safety, leading quality training, standard operating procedure training and product company related trainings.
- Health and safety, vendor product knowledge training, hotel and spa orientation, and service training.
- I have mandatory training I do within the department when we have new modalities or for support staff on new things, and we also do retail training.
- If there is a training session set up for a specialized modality, everyone who performs that service is required to be present. If the training session that is set up is a general training that relates to everyone in bettering themselves and the spa, it is mandatory for all employees.
- In-house orientation and service standards. Monthly staff meeting with service refreshers and protocol reviews.



- Last year it was required that our staff complete 300 hours of new vendor training. This year it will be much less with about 50 hours of total training for the year.
- Managers and supervisors attend quarterly training sessions. Therapists, estheticians, and salon workers must attend new product trainings.
- Managers training courses.
- Mandatory orientation, mandatory benefits meeting and protocol trainings.
- Mindful guest service, general orientation, blood borne pathogens, and mindful leadership.
- Monthly management training, department-specific meetings as well as quarterly guest service training.
- Mostly in-house training in leadership, HR functions, service standards and treatment protocols.
- Must attend a new hire orientation, training in all our spa services and we do a yearly guest service training.
- Must attend employee orientation and five days of new employee training.
- Must complete two sessions per calendar year, with outside trainers brought in for each department.
- Must train on every service before able to perform on client.
- Need to complete 12 CEUs each year.
- New employee orientation and then department specific training such as spa, food & beverage, rooms division, etc.
- New hire orientation and service excellence, vendor trainings for therapists and reception, fire safety training and property-specific system trainings.
- New hire orientation and service intention training.
- New hire orientation, 90-day orientation and annual department specific refreshers.
- New hire orientation, brand training and SOP training.
- New hire orientation and professional certifications.
- New hire orientation and for the spa, monthly vendor trainings are mandatory with between one and three vendors per month.
- New hire orientation; management training modules for managers/supervisors; and required task training associated with individual hourly jobs.
- New hires will have to go to company training on protocols before starting to work at the company.
- New product training for all therapists and guest services staff, new associate orientation and mandatory staff meetings.
- New services protocols, CEUs, and product knowledge.
- New team members attend a full-day training/orientation within two weeks of hire, then another day a month later. Each position has specific training binder/protocols.
- New hire and annual policy training.
- On-boarding, orientation, and company culture.
- One day induction followed by departmental specific training the next day.
- One training from each vendor per quarter.
- Orientation about the clients, spa procedures, products, marketing, communication, and sometimes skills.
- Orientation and testing on each modality and customer excellence training as well.
- Orientation for all employees and leadership training for all supervisors and higher.
- Orientation for all employees and a minimum of one week of training before being on the floor with guests.
- Orientation for all employees and national certification for massage therapists.
- Orientation, full protocol training and full product line training.
- Orientation to property, orientation to the spa, culture and standards training, spa protocols, spa standards, safety, and retail and product sales.





- Orientation training on concept and services, product training and treatments in three phases, luxury service training and more. We expect everybody to extend their skills and knowledge further (you can't get stuck but always have to learn more).
- Orientation, ADA compliance, sexual harassment, job specific protocol training (for example, four hands massage), etc.
- Orientation, service excellence for all associates and foundations of leadership for managers.
- OSHA, first aid/CPR, quarterly spa meetings, customer service and two days of orientation for new hires.
- Privacy and conduct and sexual harassment in the workplace.
- Quarterly skin care training, quarterly leadership training, new hire training, and customer service training.
- Resort orientation upon hire – seven hours; hotel orientation upon hire- seven hours; spa orientation, standards training, treatment training - up to two week; yearly service training – two hours; yearly sexual harassment training – one hour.
- Resort orientation, seasonal staff meetings, and treatment workshops.
- Sales training and new hire training.
- Service protocol training, new hire, company culture and more.
- Service protocols, salesmanship training, and product knowledge.
- Seven habits, new hire orientation, the science of service, and spa training.
- Spa and resort orientation must be completed first. Software training before working shifts on own treatment training - service provider must learn, practice and then be tested on services before he/she can perform services. Coordinators are required to experience several services in their first two weeks - typically they are the bodies for the service providers training/practice.
- Spa experience - how to achieve excellent services, elemental nature - teaching Ayurveda, product knowledge and massage/facial/nail protocols.
- Special techniques which are applicable in our menu, first aid and fire control trainings.
- Staff is required to attend all vendor training that we offer quarterly for each of our major brands, then periodically for our other brands. They must also attend all meetings and practitioners must attend treatment trainings and repeat the training if they have not performed the treatment in awhile. We offer reimbursement for CE credits and also send staff to conferences, etc. Training is key to consistency and knowledge to sell retail and perform according to protocols.
- Team undergoes 40-hour on-site training, seven-hour hotel orientation and two-hour company orientation.
- Tests that are mandatory for hospital employees (basic safety, OSHA training, etc.).
- The must go to new hire orientation and a basic service intentions class.
- Therapists must secure national certification.
- There are numerous learning modules associated with competency on our operating system, sales processes and customer service for our front desk staff. In addition, there is training regarding our facial protocols, hot stone, pre-natal and draping protocols, signature services and Murad products that accompany our facials. All massage therapists and estheticians must complete a thorough orientation program about company procedures and policies to ensure that the basics regarding appropriate charting and draping protocols are followed, and are required to participate in more detailed training based on the modalities they routinely perform. Lead therapists routinely meet with therapists as well in either group or individual training sessions based on identified need.
- To know all protocols for each treatment and the respective products. Also, luxury training is mandatory here.
- Training in treatment procedures for each type of offering. Product knowledge training. Training on all new offerings.



- Training is one of the requirements throughout the different levels of our pay scale. The more they know and produce, the more they get paid.
- Training on all aspects of services and products offered, nutrition training, health and wellness training, customer care and client experience, etc. Full reception training in all aspects of treatments and products offered.
- We have 12 trainings a year and each employee is required to attend eight out of 12.
- We have two days of orientation for all new associates and all new hires must complete a 10-day training for their position. Additionally, we have mandatory training for product and brush ups on protocols.
- We have created a five-star certification program for all levels of staff that covers all aspects of the guest experience and completion of this program is required for all team members.
- We have mandatory training for: new hires, new services, new products, refresh training twice per year, and individual training if the manager believe that is necessary.
- We have mandatory trainings such as sprinkler training, harassment training, OSHA, service animals, etc.
- We offer technical training headed by the department lead for technicians and we put our front of the house staff through a two-week training with a qualified trainer.
- We put all employees through a company and departmental orientation. Additionally, employees receive training from vendors related to their families of service.
- We require a property orientation, department training, and various safety trainings throughout each year.
- We require all employees attend new hire orientation, guest service one and two and monthly department staff meetings which include safety training.
- Webinars and CEU training for therapists and estheticians.
- When first hired on, all employees must attend a full day of training prior to starting in their specific department.

**Respondents were asked to identify what you consider to be the most valuable educational tool or training resource used by your company. Below is a sample of responses.**

- 4myhr, corporate internal training and outside trainers from different sources.
- A good internal spa trainer.
- Ability for me to find the most effective tools for each department; no constraints except for budget.
- After completing orientation and world host, it would be product training (ongoing) with vendors particularly with new products.
- Allowing the management team to participate in the annual ISPA Conference.
- Apprentice appointments.
- Brand standards.
- Bringing in a speaker for a two-day motivational team building session at least once a year.
- Combination of in-house and external trainers for a dual perspective.
- Company has allowed me to facilitate the Covey great leaders program for my management team.
- Company webinars.
- Companywide intranet with all training materials and resources.
- Conferences.
- Continuing education for both therapists and guest services.
- Corporate trainers who travel to various regions to do one- to two-day training seminars.



- Depends on the training type and the audience for which we are customizing our training. The best result is to involve the participants to evaluate each training and trainer. The evaluation provides us with enough information to improve and perfect the next training agenda and tools to be used.
- Designated trainers offering support every step of the way.
- Employee orientation.
- Ergonomics training for massage therapists with outside trainer. Learn it classes for managers.
- For management personnel, it is undoubtedly our off-site management retreats where we have learned to express and communicate our company values, mission and purpose. We are now working together on formulating and implementing our service standards. As for specific technical training in our various disciplines, we have found the leadership and training offered by our long-term senior technicians to be the most effective training resource.
- For managers - managers retreat with professional series; for associates - group required training.
- Forbes five-star training, then ongoing massage and facial technique training for our service providers.
- Forbes customer service training.
- Getting trainers on-site for refresher and new courses. In-house trainings & evaluation.
- Group training seminars with vendors.
- Guidance sequence of service.
- Hands-on anything!!! We also do a lot of micro-trainings in regards to customer service, company communications and policy reminders.
- Hands-on training between senior and new therapists. Also, off-site vendor training for estheticians.
- Hands-on training by a lead therapist and corporate trainers.
- Hands-on training with experts critiquing the performance.
- Hands-on training. Giving and receiving of modalities to better educate our service providers.
- Hands-on vendor training and in-house corporate training.
- Harvard Business Review online courses.
- Having leads in each department to further the education and testing of each associate and to follow through.
- In-house education and training on signature services and refreshers on our property and our mission.
- In-house regular trainings plus checkups and outside trainings but not as often as in-house. Hands-on training.
- In house training performed by lead staff.
- Induction training and specific departmental/job training.
- Info shared among associates on best ways to perform services and sales.
- In-house sales training and LQA trainings.
- Interactive training with all executive management and employees.
- Internal knowledge and experience.
- Internal, hands-on training approach.
- Internally developed training manuals.
- ISPA information.
- ISPA, IHRSA conventions, classes, and skill path seminars.
- Lead esthetician, lead therapist and one of our managers have key training responsibility and oversight. This combined with the excellent online training resources provided by our corporate office, are critical to successful training.
- Leadership sessions for management and supervisory staff.
- Learning and development team at each property.

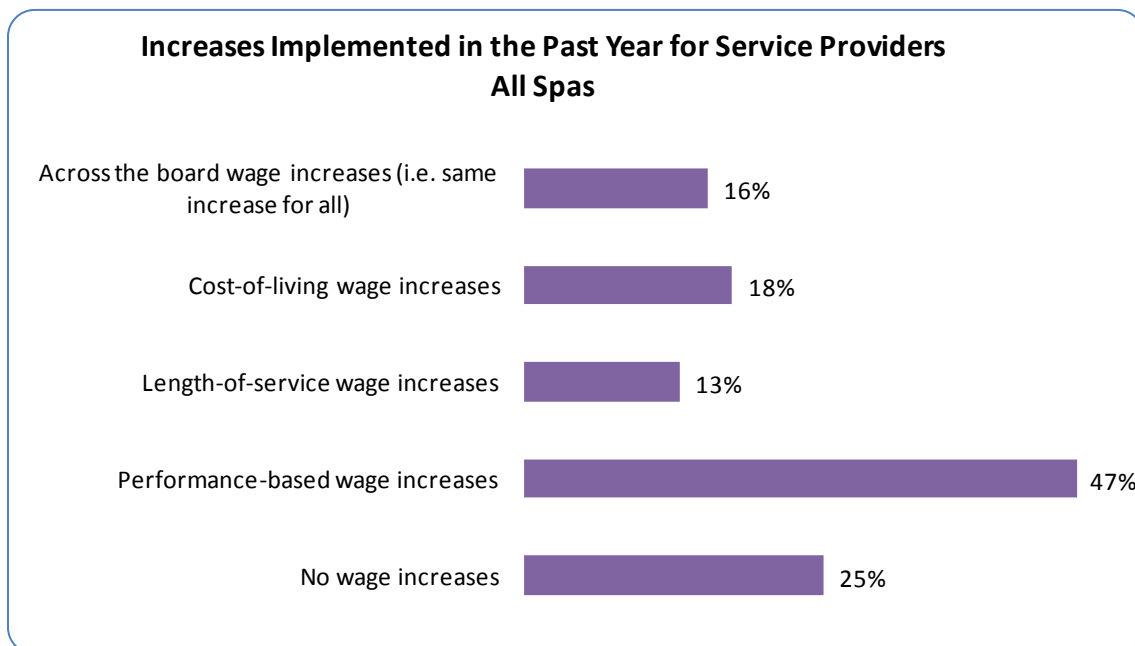


- Management training modules.
- Online training with vendors
- On-site training, shadowing and feedback.
- One-on-one training done by internal management team and outside consultant
- Online classes available 24/7.
- Online training and quizzes to complete in order to stay current.
- On-site therapist trainer and webinars.
- Orientation.
- Other team members (staff) and role playing, partner support from vendors – on-site or remotely.
- Our in-house training specialist, along with corporate-supplied materials.
- Our insurance company provides several free training classes online.
- Our internal educators.
- Our internal training programs.
- Our orientation for new hires including all policies, treatment training and practices as well as vendor training for retail sales.
- Our people. We have two educators on staff who are invaluable to us.
- Our philosophy training.
- Partnering with our vendors and team members working together to create signature treatments.
- Peer training.
- Practical DVDs.
- Printed reference material and follow-up training.
- Product knowledge training.
- Product training/sales communication training.
- Professional trainer, presentation and SOP.
- Providing CEUs for the licensed staff.
- Quarterly guest service training. This is mandatory for the entire property.
- Regional trainings.
- Regional/national trainers.
- Regular consistent ongoing training.
- Resource partner in-house training.
- Retail training.
- Seminars.
- Service standards.
- Specific induction departmental trainer.
- Staff values CEUs and training with professionals in industry. I believe education in business is important for them to know as well. Supervisory Skill Builders have helped new managers as well.
- Standards training that reinforces our culture - covered in each orientation and re-energized daily through line-ups.
- Team meeting with specific focuses like the customer experience or financial, etc.
- Techniques and ethics.
- The most valuable training tool is having the spa front desk staff and spa call center staff receive monthly treatments so that they can better explain them. This has improved team morale, introduced alternative wellness to the desk staff and increased sales. It has also provided the opportunity for the desk team and therapists to work together in a positive setting.



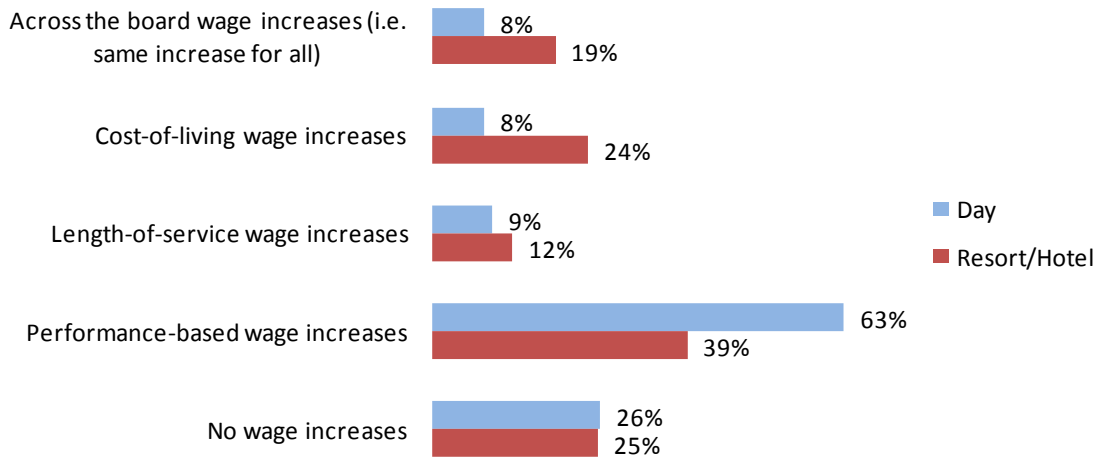
- The overall commitment; as much as it's a requirement, we also back it up with various resources.
- The owner.
- Trainers and the commitment to always improve and educate the team and never stop training.
- Training through product representatives.
- Vendor relations. Role playing guest service scenarios.
- Vendor training and management one-on-one training
- Vendor training for therapist and our company university classes.
- Vendor training, management and leadership training 12-week program.
- We have a director of learning that has created several classes for associates and managers.
- We have a website for employees that covers every aspect of the company and all of its many properties, which can be explored at one's leisure.
- We like a train the trainer approach - we send out people to get specific training and they come back and share. It is more cost-effective and that way we can do a lot of training.
- We love using webinars, as they can be accessed repeatedly. We especially like the webinars offered by ISPA for retail sales, and the vendor-specific training webinars offered by Universal Companies.
- We perform one-on-one monthly coaching sessions reviewing numbers and benchmarks. For the massage therapists, we host and bring in education for their mandatory continuing education units.
- Webinars, conferences and bringing people in to train.

**Which of the following, if any, types of wage increases has your company implemented in the past twelve months for service providers. (select all that apply)**



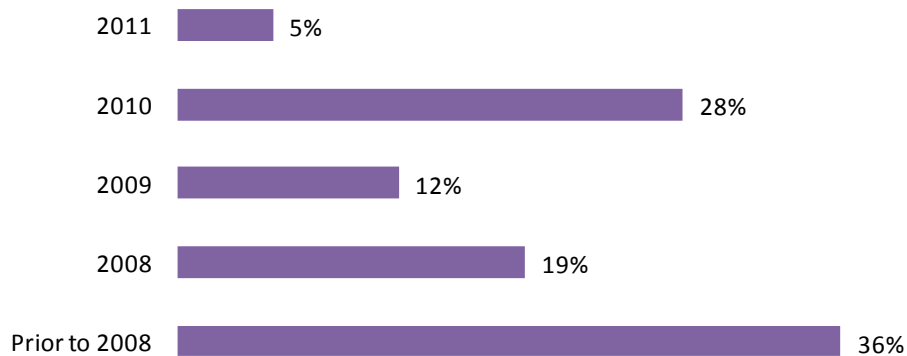


### Increases Implemented in the Past Year for Service Providers by Spa Type



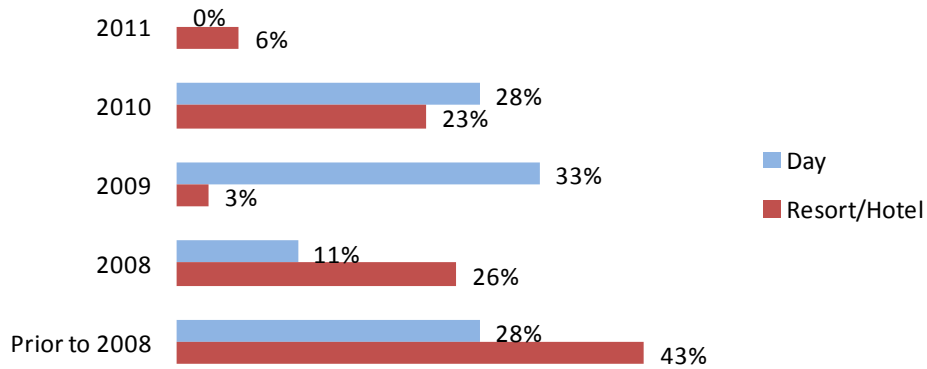
Respondents who indicated that their company did not implement wage increases last year for service providers were asked when the last time their spa implemented a wage increase for service providers occurred.

### Last Wage Increase for Service Providers All Spas



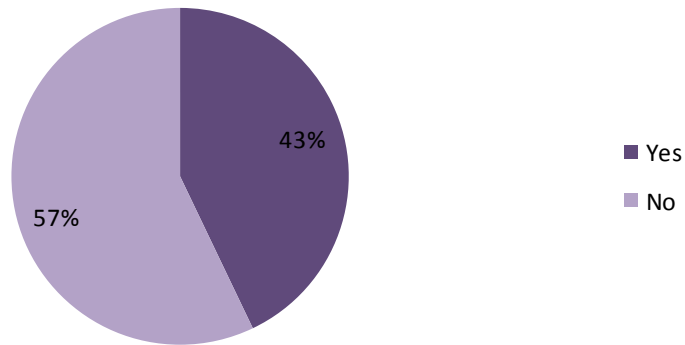


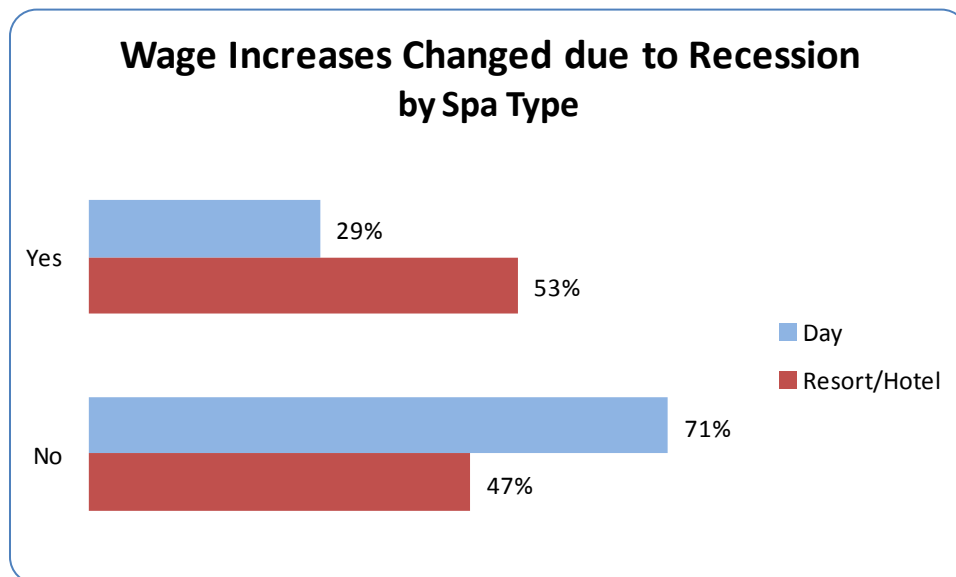
### Last Wage Increase for Service Providers by Spa Type



**Did the way your company addresses wage increases for service providers change as a result of the recession?**

### Wage Increases Changed due to Recession All Spas





**Respondents who answered “yes” to the previous question were asked to describe how the recession changed the way their company addresses wage increases for service providers. Below is a sample of responses.**

- 2.25 percent increase on Jan 1, 2012.
- Two to three percent increase in their training rate annually based on performance. No hourly rate increase unless we also have a rate increase for services.
- A delay in pay raise or bonuses given.
- All of our service providers are on a straight commission. Only some of the newer ones have been affected by the recession as they have not had as much opportunity to build. Our more senior service providers have not experienced any decrease because they have high retention and referral rates.
- All wages for service providers have been frozen. No wage increases.
- Based on 12-point performance, service to downtime ration, and retail sales.
- Bonuses have been on hold and raises are based on revenue performance.
- Bonus structure.
- By having to increase the cost of life percentage only.
- Cap has decreased by .5 percent.
- Cap on performance or merit increases.
- Changed the hourly rate of pay for the entire shift to an hourly rate ONLY when the service staff provider has an appointment.
- Commissions have stayed the same; they receive raises on their hourly rate only.
- Compensation was restructured.
- Created two tiers, depending on how many treatments are performed. Grandfathered in all existing staff.
- Decreased from potential five percent to maximum 2.5 percent.
- Depends on performance.
- Due to being commission-based associates, as we have had to discount, their commission decreases.
- Few and far between.





- Focus on performance-based incentives.
- Froze all wage increases.
- Got rid of an hourly wage and went strictly commission.
- Haven't been offered in several years at least in an across-the-board way.
- Held flat for two years and this year approved a 3.5 percent budget increase.
- Held the line on what would have been "normal" increases.
- Higher scrutiny of A - D players. Tighter control on increase percents; truly based on performance.
- I base wage increase on performance, service sales, upgrades, product sales and membership sign-ups and also retention.
- Implementing a level system based on sale, retention and overall performance.
- Increases are on a performance basis, only wages not commissions.
- It did not. We provided annual raises throughout the recession to all employees
- It didn't
- It is only available if the company can afford it and definitely offered only based on merit or performance.
- It is really performance based.
- Last year was the first year for raises, before there were none.
- Leaders' bonus structure changed but line employee wages and increases stayed the same.
- Less clients; cannot increase wages.
- Must be associated with increased business, there is no way to increase someone's pay without that.
- No annual increases as before. Service provider wage increases now only with price increases in services.
- No automatic increases.
- No longer an expectation at beginning of year. Now performance and incentive based.
- No one is allowed overtime.
- No real change; perhaps based more stringently on performance than before.
- No wage increases in 2008, but resumed in 2009.
- No wage increases so far due to recession. All future raises will be based on performance and level of responsibility.
- No wage increases, all the wages are frozen.
- Normally we set a minimum wage, so during such a period we improve their wages.
- Not able to provide yearly increases.
- Nothing goes into base pay. It is all performance based on key metrics, attendance, and skill (flexibility to perform all offerings).
- Now it is all in relation to retention.
- Number of providers is down, salary is the same.
- Only increases based on individual performance that has a direct impact on the bottom line.
- Over the past couple of years, annual increases have sometimes only been given to those who earn below a specific annual salary.
- Pay increases are 50 percent of what they would normally be due to the recession.
- Placed a hold on all bonus and wage increases.
- Post-recession - increased treatment prices so therapist can make better commissions. Highlighted gratuity section for exception service delivery.
- Providers originally were on an hourly wage plus a commission and it was changed to no hourly wage and a higher commission.
- Reduction in percent increase.



- Sales performance based only, no tenure increases.
- Services are so discounted our staff is not paid by percentage of service so their rates have not been affected as the spa has been taking a hit on profitability.
- Since service providers are commission-based they do not receive an increase; only the hourly staff received a cost of living increase.
- Static to begin with, then performance based. Now cost of living plus performance.
- The downturn in economy has seriously impacted our ability to give wage increases and only as responsibilities increase are we increasing wages.
- The increase must be in a win-win situation. Both sides must have benefited before increase happens.
- The percentage increase dropped.
- The percentage of increase for annual performance-based increases is determined by the company's financial performance over the prior year. Thus, the percentage changes every year.
- The recession changed wage increases for all staff members; if the company is not making money wage increases were not issued.
- The recession did not affect the commission percentage for services. The company froze wages for hourly and salaried positions for one to two years.
- The recession did not really affect our plan as it was always performance-based. Less people were able to move up a level during the slow-down, but they are beginning to hit targets now.
- They stopped increases.
- The yearly employee anniversary date increase has been replaced by an annual bonus program based on performance and an annual revenue overview to determine the feasibility staff raises.
- The yearly increase rate is according to a bylaw-set adjustment.
- There had been a freeze on increases for managerial staff, but we did get one in 2011.
- There was a freeze on increases for several years, but then merit-based increases were allowed in reviews once a year.
- There was actually a wage decrease.
- They did not receive an increase. Also, we are moving to a flat rate per service- this would not fluctuate if the prices increased.
- Tighter controls over the amount of the percentage given.
- Until July there had been a wage freeze for three years. In July, there was a 0.3 - 0.5 percent increase for all non-tipped positions based on employee appraisal scores. In January, the entire property raised minimum wage as well.
- Wage freeze for a few years; increases just allowed last year for first time.
- Wage increases for previous year were suspended.
- Wage increases are given to those who help drive the business through high retail sales, upgrades, and return clientele.
- Wage increases were stopped for two years. They are supposed to return next year for all and returned for long-term employees this year.
- Wage increases were suspended for two years. Increases have been reinstated and addressed as they were pre-recession.
- Wages frozen for three years until things turned better at end of 2011.
- We always had wage increases in the past but now, at least in the last three years, there hasn't been an increase.



- We are a private club so the members have created a slush fund that is distributed at the end of the year. You receive a portion depending on how long you have worked here.
- We are just coming out of a wage freeze for two years. Their increase comes from the increase in treatment fees and we did just increase treatments.
- We are looking to retain good employees and reward them with length of service wage increases and also performance increases. We have also added benefit packages.
- We are still on a wage freeze.
- We are very limited in our ability to increase wages for therapists; their current wages are high for our area so we have not increased them unless they have performance increases. We have increased a few of the receptionists' and attendants' wages by 50-75 cents per hour.
- We base our salary increases strictly on performance and government-required yearly minimum salary increases.
- We did across-the-board increases during the recession with flat rate increase for everyone. This year we did performance-based again.
- We did not change our review process for merit increases; but we did stop the 401K match.
- We did not implement an increase during the two years of economic downturn, nor did line staff receive a raise. Simply keeping positions and not laying off staff was much appreciated.
- We did not increase or do cost of living adjustments, but we did not discount commission for discounted spa treatments; therapists receive same pay regardless of retail price of treatment.
- We do not give our therapists wage increases; we do offer them for spa attendants and spa receptionists.
- For two years, we did not do wage increases and then had new spa open in our area. We have to stay competitive in the market as we were losing great associates to better pay.
- We had a temporary freeze on any salary or wage increases for two years. We focused on increasing occupancy since our staff is 100 percent commission-based.
- We had to focus more on performance-based wage increases and encourage "business" minded employees.
- We have adjusted commissions from a flat rate amount to variable dependent upon discounts given.
- We have had to become more creative in creating wage increases; for example, more retail sales equals a higher retail commission.
- We have had to limit increases based on mandatory Mexican labor regulations and have not made any increases to that.
- We have implemented pay caps and also froze pay increases (across-the-board) for three years.
- We have structured our wages better, i.e. all therapists have the same wages (years in service makes difference), nurses have the same structure, etc. All our increases are mandatory by the agreement with the union. No extra increases were made.
- We implemented an automatic service charge which includes gratuity to the service providers. This action increased the average gratuity from 13 percent to 15 percent.
- We only did an increase when we increased the price of the service to guests and they get a COL increase for their training and mandatory meeting rate.
- We operate on a tier system that allows for growth with experience, availability and length of time put in. Once a service provider reaches the top tier they no longer receive a wage increase.
- We pay hourly and decreased some hours.
- We pay hourly, but the rate is based 100 percent on service dollars. If their service dollars go up, they get a raise.
- We put a temporary freeze on all increases.



- We shortened our appointment times and lowered our wages to match.
- We skipped a year of increases and then the increases were not as much.
- We switched from commission-based to strictly hourly pay and now give the same cost-of-living increase to service providers that all other employees receive.
- We will change to a percentage-based commission rather than fee-based that continually increases.
- We've taken into account the number of years with the company plus performance to base their increases.



## RESOURCE PARTNERS

Which of the following, if any, types of training does your company offer to spa clients? (select all that apply) This same question was included in the September 2009 ISPA Snapshot Survey and those results are also included for comparison.

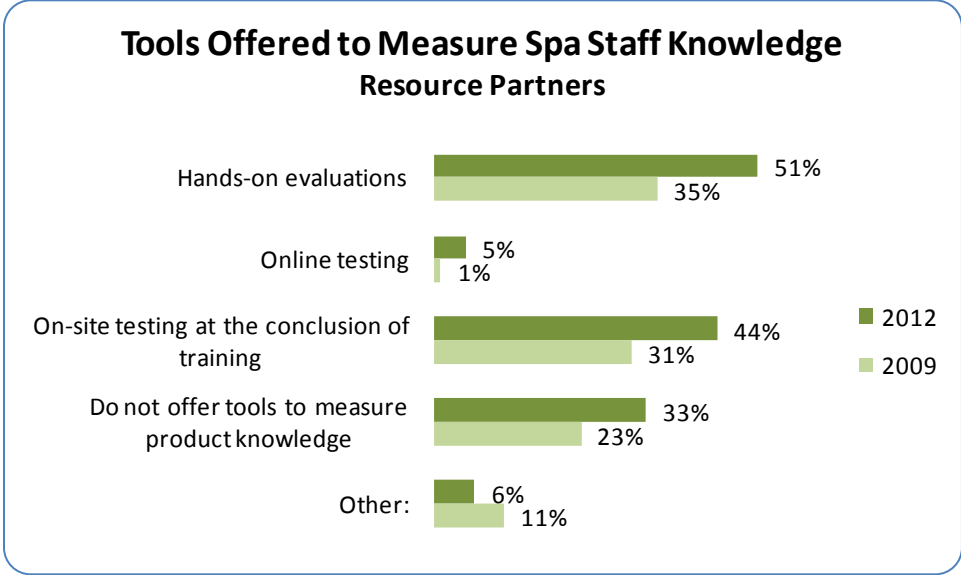


Respondents who answered "other" to the previous question were asked to provide the training type offered. Below is a sample of responses.

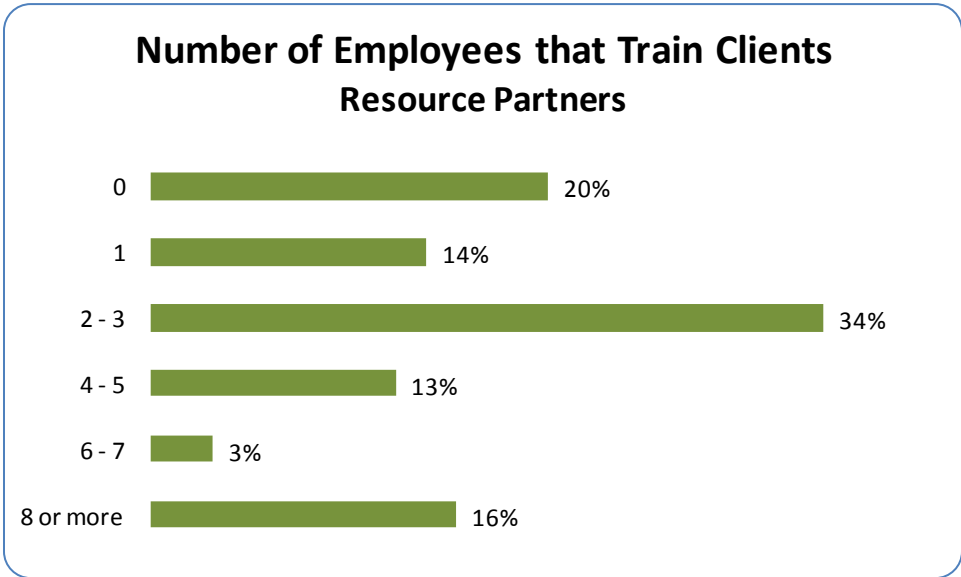
- Guest zentherapists.
- Hands-on training (not complimentary).
- Hands-on training on-site for fee.
- On-site hospitality training as part of the consulting agreement.
- Online videos (not on DVD) and paid on-site training.
- On-site business building training - mandatory and for a fee.
- Phone training.
- Training at client spa - minimal payment depending upon training.
- Training - client pays.
- We provide training for our clients; however, it is a paid service and not complimentary. Of course, we are not talking about just product knowledge or two to three days but rather three to four weeks.



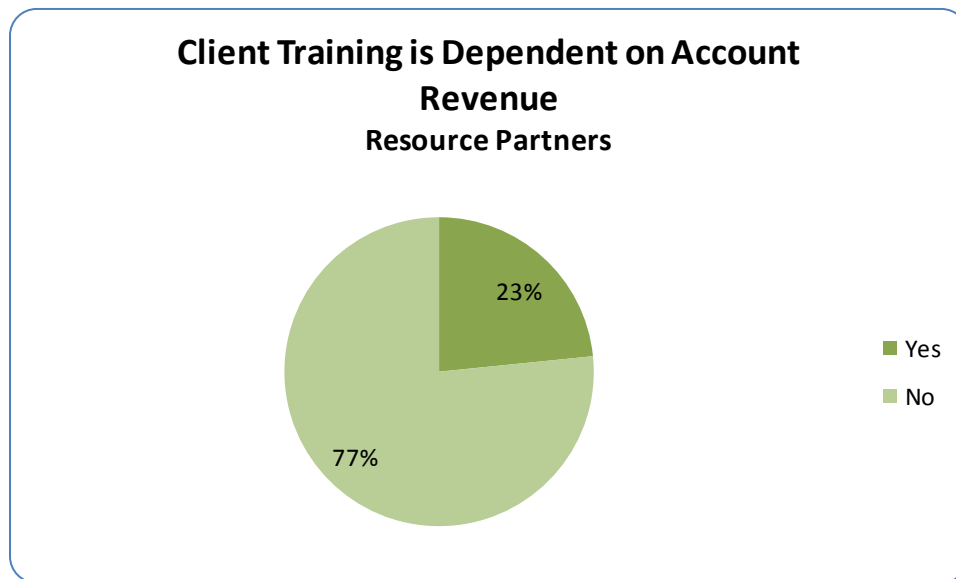
**Which of the following tools, if any, does your company offer to spas to help measure their staff's product knowledge? (select all that apply) This same question was included in the September 2009 ISPA Snapshot Survey and those results are also included for comparison.**



**How many employees at your company conduct client training?**



### Is education/training provided to your spa clients dependent upon revenue per account?



**Respondents who answered "yes" to the previous question were asked to identify how your company determines the education/training opportunities provided to spa clients based upon the revenue per account. Below is a sample of responses.**

- Free with opening order over \$1,000. Twice a year if orders are above \$1,000 per month on average.
- It is based on the size of the opening order and how many estheticians they have. Also, determined by their potential.
- Our emphasis is on increasing service and retail sales through educating clients. The more knowledgeable the staff is, the more confident they are in communicating with the clientele, which almost always results in increased revenue and more satisfied clients.
- Purchases over a certain dollar amount qualify for complimentary on-site training. All customers eligible for regional/group training courses.
- The level of training is determined by the amount of investment; however, all clients are offered product knowledge and sales training.
- The spa must purchase a certain dollar amount package in order to receive in person training.
- We do not impose a minimum amount on orders and we provide free training for all our therapies and protocols for every opening order/account. We do try to implement a policy of "proper brand cross-representation" where we place more emphasis on variety rather than quantity. We don't believe in overstocking our spa partners and all orders are produced fresh.
- We offer a basic training structure for all clients annually because we are committed to their success. If a customer has a larger facility and is utilizing multiple products/services they generally require more training. The more products and services they utilize the more revenue they invest and as a partner to their growth our company can afford to offer more trainings and education services to this client.



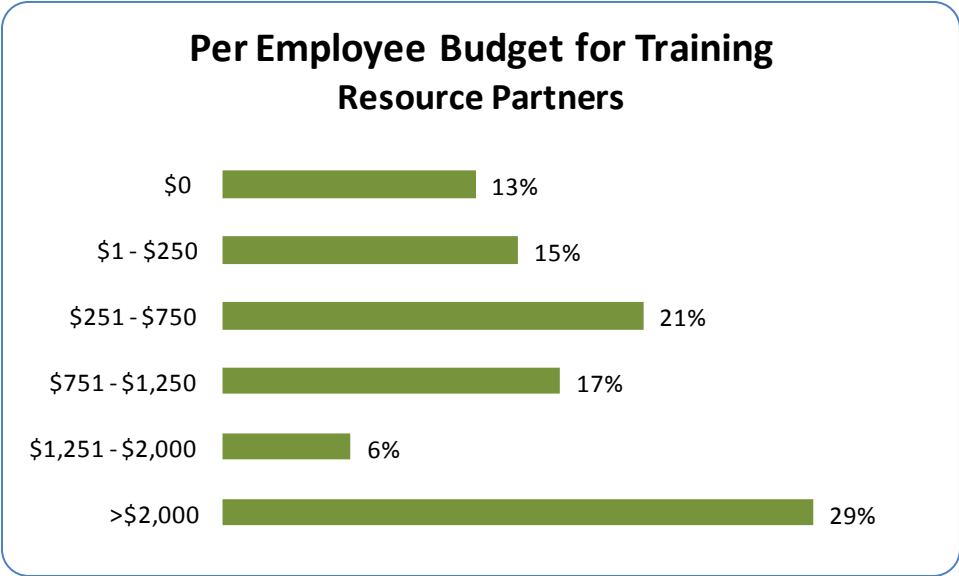
**Respondents were asked to identify the most valuable educational tool or training resource used by your company. Below is a sample of responses.**

- Advanced management training to prepare the staff for a successful future in the industry.
- Collateral support materials plus appropriate sample product.
- DISC assessments, customer service and time management.
- Face-to-face training and interactive participation.
- Hands-on training.
- In-person training.
- ISPA and AH&LA textbooks.
- ISPA textbooks, industry reports, and Conference.
- Lately Skype training has been very effective and a lot of fun for the staff. We also do Face Time training for individual estheticians.
- Media center.
- On-site education.
- Online videos.
- Our DNA assessment.
- Our staff.
- Print/electronic training manual.
- Research in hospitality articles and books.
- Spa Management online and distance learning.
- Spa management texts.
- We use webinars to refresh training and stay in touch with our partners; however, I would say our most valuable tool is on-site, hands-on training. The problem we run across too often is with spa directors and managers who are too busy to attend the training. We believe all staff associated with the spa should attend our training sessions. That is in an ideal world, of course.

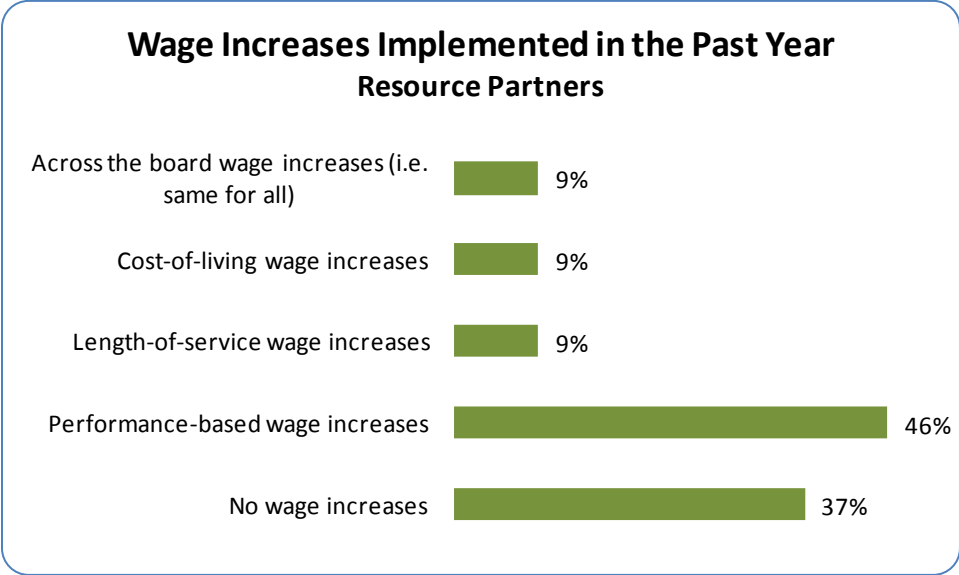




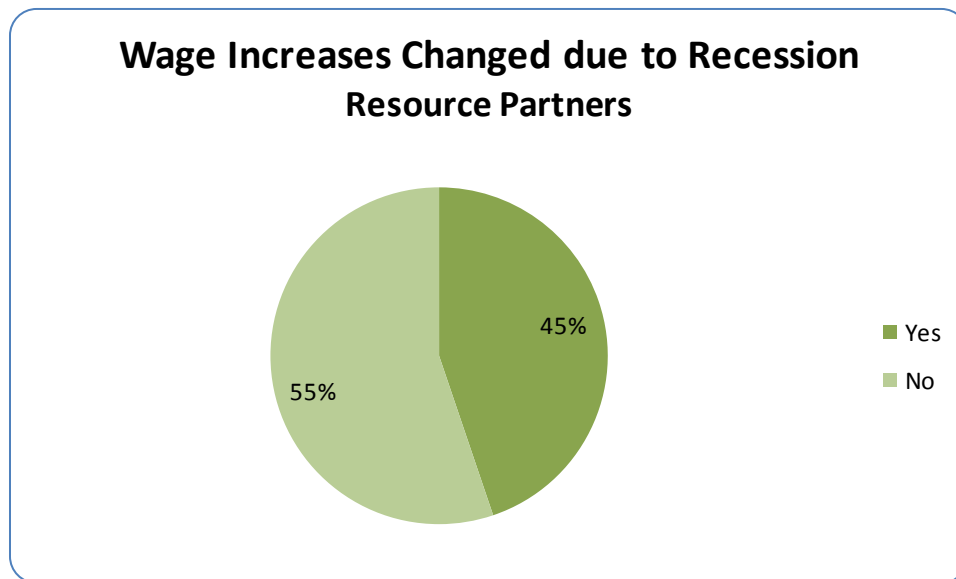
Approximately how much is budgeted per employee at your company for training expenses this year?



Please identify which of the following, if any, types of wage increases your company implemented in the past twelve months for its employees. (select all that apply)



**Did the way your company addresses wage increases change as a result of the recession?**



**Respondents were asked to describe how your company currently addresses wage increases for its employees. Below is a sample of responses.**

- Ten percent increase plus bonus on objectives.
- Always performance-based.
- Based on profitability and also market wage comparison.
- Bonus on goals.
- Bonus on performance.
- Depends on experience.
- Depends on performance.
- Depends on profitability of company and how long employees are with us.
- Due to management practices, it has not been addressed.
- Employees complete self-evaluations annually. Raises are based on hitting or exceeding goals and revenue targets.
- Employees work on commission so when services increase, their wages increase.
- Hourly and commission-based pay works well.
- It is all based on performance and changes each quarter.
- Last year there was a wage freeze. This year, it looks like there may be cost-of-living increases, but there's been no mention of merit increases.
- No automatic increases.
- No wage increases.
- Service years and education/qualifications.
- They stated that the wage increase is not part of the review process. So, instead of a review and either a pay increase or not we received nothing.
- Unfortunately, our revenue is directly based on the income of our clients. During the recession, we have had to offer similar services at a lesser cost to our clients, which have eliminated the opportunity for wage



increases. We believe client satisfaction is the livelihood of our company and as long as our clients remain satisfied, our revenue will eventually increase again as does our clients'.

- Union-negotiated.
- We are a new growing company so there have not been any wage increases but bonuses have been paid.
- We determine wage increase according to; tenure, performance and added responsibilities. The last two years were challenging and we downsized and this taxed our remaining staff and colleagues in the field. We are still not in a position to expand our staff or re-hire people we had to let go.
- We determine wages as a percentage of our revenues.
- We have been restricted with a lesser percent increase where applicable.
- With performance evaluations.