



RESEARCH REPORT

GLOBAL SPA & WELLNESS SUMMIT 2012

Spa Management Workforce & Education: Addressing Market Gaps



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Spa Management Workforce and Education: Addressing Market Gaps

June 2012



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About the Authors

The *Spa Management Workforce & Education* report was prepared by SRI International in agreement with the Global Spa & Wellness Summit. The study was led by Katherine Johnston, Senior Economist, with contributions from Nancy Chan, Economic & Technology Policy Analyst, and Elizabeth Tennant, Economic & Technology Policy Analyst, as well as Charlett Kohlwes (student at Saxion University).

About Global Spa & Wellness Summit

The Global Spa & Wellness Summit (GSWS) is an international organization that brings together leaders and visionaries to positively impact and shape the future of the global spa and wellness industry. Founded in 2006, the organization hosts an annual Global Spa & Wellness Summit where top industry executives gather to exchange ideas and advance industry goals. For more information on the Global Spa & Wellness Summit, please visit: www.globalspaandwellnesssummit.org.

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If you have information about spa management-related degree programs, continuing education providers, books, and other training resources that are not listed in this report (or if you have updates to any information provided in the report), please email: research@globalspaandwellnesssummit.org.

Spa Management Workforce & Education: Addressing Market Gaps

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Executive Summary

The services delivered by spas to their customers are fundamentally about the power of human touch and human interaction. As such, *people* are at the heart of a spa. People are a spa's greatest asset and are essential to its success, but people are also typically a spa's greatest expense and greatest challenge. The fundamental importance of human resources to the future of the spa industry was underscored by the delegate survey conducted at the 2011 Global Spa & Wellness Summit¹ in Bali, Indonesia, where delegates rated "training/education" as the #1 greatest challenge facing the spa industry today, and also rated "lack of professional human resources" as the #1 obstacle to growth for their own businesses.

While staffing challenges occur across all levels and positions in today's spas, these challenges are *especially important* and *especially prevalent* at the management level. As for any other business, talented leadership and strong management are critical to the success of a spa.

The Global Spa & Wellness Summit has commissioned this study by SRI International to examine the many challenges faced by today's spa industry in hiring strong, well-qualified spa management personnel, as well as the root causes of these challenges. The study presents a series of recommendations for industry stakeholders to pursue in order to address key market gaps in the supply and demand for skilled spa managers/directors.

The analysis and recommendations presented here are based on extensive primary and secondary research, conducted during December 2011-May 2012:

- Three global online surveys: 1) a survey of current spa managers/directors; 2) a survey of spa industry executives and thought leaders; and 3) a survey of spa management-related educational programs and private training companies.
- Over 45 telephone interviews, conducted with leading spa industry "thinkers" and representatives of spa management education and training providers.
- A literature review and collection of existing information related to spa management workforce and education.
- An inventory of over 100 spa management-related educational programs and training providers worldwide.²

¹ Prior to 2012, the Summit was officially called the *Global Spa Summit (GSS)*.

² The educational inventory was compiled by intern, Charlett Kohwles, a student at Saxion University in the Netherlands, with guidance from SRI.

The Challenge of Spa Management in Today's Spa Industry

Spa businesses are facing a fundamental challenge in their management workforce – they are simply not able to find enough people with the right skills to fill management-level positions. In the industry survey conducted for this study, 95% of spa industry leaders stated that they currently face problems in hiring spa managers/directors with the right combination of qualifications and experience; 52% stated that they believe these problems will stay the same or worsen over the next decade.

The root causes behind the spa industry's management personnel challenges are multifold and complex. First, it is important to recognize that **these challenges are not unique to the spa industry**. Over the last 25 years, economists in the United States and globally have documented that: 1) workforce is increasingly the most important factor for success in an increasingly competitive global economy; and 2) skilled and talented workers are increasingly difficult to recruit and retain, especially at the managerial level. McKinsey & Co. has dubbed this challenge the "War for Talent." These trends are rooted in broad economic and societal shifts, including a decline in the supply of entry-level management-aged workers (35-44 years old) in developed countries; the increasingly high skills required for workers in knowledge, service, and innovation-based jobs; and the increasing ease with which workers can change jobs and companies.

Second, there are **three specific management challenges currently being faced within the spa industry**:

- **Challenges Relating to Current/Future Spa Managers, Skill Sets, and Career Pathways:** Spa management is a very challenging career that requires a huge mix of hard and soft skills, combined with a deep passion and understanding of spa. Since there is no well-defined educational or career pathway for entering spa management, most spa managers/directors are deficient in at least one of these key skills areas (most typically in hard skills such as business/management/finance). Additionally, spa management is a highly demanding career (with long hours/weeks and significant mobility/travel required), and may lead to "burn out" or be difficult to sell as a "lifestyle career."
- **Challenges Relating to Education and Training Providers:** The graduates of existing spa management-related degree programs at universities/colleges meet only a tiny fraction of the spa industry's growing needs for well-trained spa management personnel. Therefore, the industry places very little

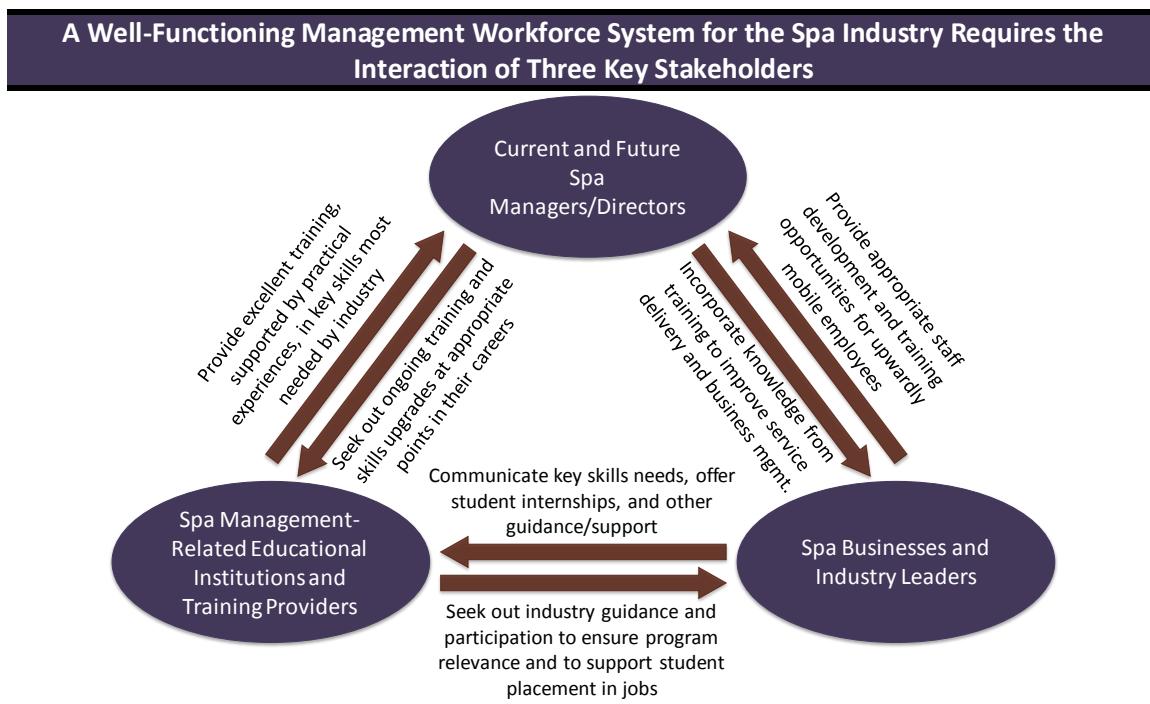
There are approximately 4,000 students worldwide currently enrolled in spa management-related degree programs. There are an estimated 130,000-180,000 spa managers and directors currently working in spa businesses around the world, and this figure is continuing to grow. Clearly the number and size of spa management-related degree programs is not meeting the spa industry's hiring needs for well-trained management personnel.

emphasis on educational credentials when hiring spa managers/directors – which contributes to the gaps in “hard skills” and technical/business skills that industry leaders complain are prevalent in spa management. Additionally, most spa management-related degree programs are fairly new and very small, and are not as well-connected to the spa industry as they ideally should be. Providers of continuing education services are also new, fragmented, and constantly evolving, and there is no one “proven” model for effectively delivering training to employees already in the workforce.

- **Challenges Relating to Spa Businesses:** Few spa companies invest adequate attention and resources into human resource development and training to support their spa staff as they move up the ranks into management-level positions – thereby augmenting the gaps in “hard skills” and technical/business skills among many spa managers/directors. Without proactive attention to succession planning and career pathways within a spa, employees are not likely to be prepared for management-level positions as they advance within the company.

A New Approach for Spa Management Workforce Development

Fixing the spa management talent gap will require a multi-pronged approach that addresses all of the key players and challenges summarized above. **We encourage the spa industry to take a more proactive and partnership-oriented approach towards management workforce development. This approach must view workforce development as a network in which every stakeholder plays a critical role.** The interactions and partnerships between the key stakeholders in the workforce development system are what make the system operate at its best (*see graphic below*).



The remainder of this report provides an in-depth focus on each of the three key stakeholder groups in the spa management workforce system – looking into the strengths, gaps, and challenges currently being experienced by each stakeholder group – and provides recommendations on how these three key players can more effectively work together to address the management workforce gap. The industries and companies that invest in this kind of proactive, partnership-based approach for cultivating the management talent pipeline are those that are likely to come out ahead in today’s competitive global economy.

Challenges Relating to Current/Future Spa Management Employees

- A good spa manager/director must have both a “head” and “heart” for spa; exceptional people skills; the abilities of an entrepreneur; and must be flexible, adaptable, and mobile.
- Spa management requires a huge and challenging range of skills and job responsibilities – including “hard skills” (e.g., management, finance, etc.) and “soft skills” (e.g., communications, teamwork, etc.). Most people require both significant formal education/training *and* practical, on-the-job experience in order to build this skill set.
- The skill set for spa managers/directors is remarkably consistent around the world (although cultural awareness is required due to the geographic diversity and cultural roots of spa). Skills do vary considerably between day spas and hotel/resort spas.
- Two typical pathways into spa management are: promoting existing spa employees into management positions or hiring someone from outside the spa business (and each has significant pros and cons). Upward career pathways beyond spa management positions are varied and not well-defined.
- Spas rate “experience working in management and in the spa industry” as the most important background qualifications when hiring spa managers/directors, followed by “training or experience in the spa modalities.” Formal educational credentials are considered to be only “moderately important” – probably because formal degrees related to spa management are still relatively new and relatively rare,³ and are therefore perceived as being a bit disconnected from industry needs. The majority of spa industry leaders do feel it would be beneficial if more people received formal spa management-related degrees.
- Hard skills in business and management are considered to be the number one deficiency among today’s spa managers/directors (*see table below*).

Training Gaps and Future Training Priorities Identified by both Industry Leaders and Spa Managers/Directors Are Remarkably Similar

<i>Spa Managers/Directors</i> Priorities for Future Training	<i>Industry Leaders/Executives</i> Key Spa Management Training Gaps
1. Strategic planning skills	1. Strategic planning skills
2. IT skills	2. IT skills
3. Public relations/promotional skills	3. Revenue management skills
4. Revenue management skills	4. Legal/regulatory compliance
5. Legal/regulatory compliance	5. Public relations/promotional skills
6. Financial management/accounting skills	6. Financial management/accounting skills
7. Sales/marketing/retail skills	7. Practical/on-the-job experience; Leadership; Problem-solving (tie)

³ Note that only 4% of the spa managers/directors surveyed for this study indicated that they hold a formal degree in spa management, but 56% had received formal training in a spa modality.

Challenges Relating to Educational Programs and Training Providers

- There are two categories of education/training available for the spa management workforce: 1) formal degree programs (training students prior to entering the workforce), and 2) continuing education programs (offering workshops and credentials for people already in the workforce).
- There are **approximately 64 spa management-related degree programs available in universities, colleges, and schools around the world**. Most of these programs are very new and very small, and have very little recognition among the spa industry. Their graduates represent only a tiny fraction of the industry's hiring needs for spa managers/directors.
- Good spa management-related degree programs should have the following characteristics: industry advisory boards that meet regularly; deep and frequent interactions with the spa industry; teaching faculty with real-life industry experience; practical/hands-on work experience as a significant component of the curriculum; and a well-rounded focus on both business skills and spa "philosophy."
- There are **at least 41 providers of spa management continuing education globally**. Most are private companies (offering short courses, workshops), but some are schools/universities offering longer professional certificate programs.
- Industry-developed credentialing and certification for managers is a very new concept in the spa industry (the only provider is the ISPA/AHLEI *Certified Spa Supervisor* program, and this program does not yet have widespread industry recognition or adoption).
- Continuing education providers are continuing to launch and adapt their programs, as there is no consensus on what training model is most effective. It is challenging to balance the need for significant training to address skills gaps with the limited time and resources of spa managers/directors for professional development.
- There is a scarcity of good books, textbooks, manuals, and educational/reference materials available for teaching spa management-related training and courses. The books that do exist – particularly those developed by industry organizations such as ISPA – do not yet have widespread recognition or use in the industry.

Challenges Relating to Spa Businesses and Industry Leaders

- While most spas believe that on-the-job learning and mentoring are the most important ways for spa managers/directors to gain their skills, **most spa businesses are not investing significant resources and efforts into training and professional development activities for their management personnel.**
- Most training for spa managers/directors is done when people are first hired, but few companies provide training beyond that point. Most training is done entirely in-house. Relatively few companies utilize online/distance learning for their spa managers/directors (even though this model can be both time- and cost-effective), and few draw upon external training providers or externally-developed training materials (even though there is a growing range of training companies and resources available in the marketplace).
- **Training is most effective when it is approached not as a one-off or occasional offering, but rather as one component of a coordinated and proactive approach towards talent, leadership, and human resource development.** To address the management talent gap, spas need to invest more resources and attention into these activities for their employees at all levels. Lower-level spa employees and therapists especially need to be mentored and trained to prepare them to move into management-level positions.
- Some guidelines and best practices for human resource development activities that could be applied by spa businesses include the following: clearly specify management competencies for your company; actively and selectively recruit new talent; create an “employee value proposition” for your company; provide continuous training and skill development opportunities for employees at all levels; be proactive in succession planning and promotion from within; provide high wages and performance-based pay; engage company executives in leadership development; and provide information sharing, participation, and empowerment to employees.
- Over the last decade, dozens of new degree and continuing education programs have been developed, new textbooks and educational materials have been published, and an industry-sponsored certification has even been developed (the ISPA/ALHEI CSS program). Most of these developments have taken place in a fragmented way, and very few industry members around the world are aware of them. **In order to address the spa management talent gap, spa businesses, industry leaders, and industry organizations need to do a better job working together cooperatively to build awareness of these existing resources and promote their adoption; to advocate for development of new educational programs and resources; and to make education/training and workforce development a top priority for the industry.**

Recommendations: Improving the Spa Management Workforce System

Based on the key identified challenges that are contributing to the spa management talent gap, this report outlines 20 initiatives that could be pursued by the Global Spa & Wellness Summit, regional industry associations, other organizations, or individual spa businesses.

Encouraging Skills Development Among Current/Future Spa Management Personnel

- 1) Widely disseminate information about spa management-related degree programs and continuing education providers by posting information about these on key industry websites.
- 2) Sponsor scholarships for students in spa management-related degree programs.
- 3) Widely disseminate information about spa management internships (and encourage more companies to offer internships) by establishing a spa industry online internship portal.

Engaging Schools and Training Providers

- 4) Invite (and support) more faculty, educators, and administrators from spa management-related degree and continuing education programs to attend major spa industry events.
- 5) Proactively and frequently communicate with and reach out to the schools providing spa management-related degrees and continuing education.
- 6) Proactively reach out to schools that do not have spa-related offerings to educate them about spa industry opportunities and encourage them to launch programs.
- 7) Encourage spa therapy schools to add management/business coursework to their curricula.
- 8) Convene a spa industry task force on spa management education/training “best practices” to research, evaluate, and disseminate effective approaches.
- 9) Establish an online forum/portal for information sharing and discussions on spa management education, with participation open to industry members, educators, and training providers.
- 10) Endow a faculty position in spa at a major hotel/hospitality management school.
- 11) Work with spa management-related degree programs and hotel/hospitality schools to add “spa lab” training facilities for their students.
- 12) Sponsor scholarly research on spa/spa management to raise the industry’s profile in academia.
- 13) Promote and disseminate information about books, manuals, and educational materials on spa management (especially for industry-sponsored materials, such as those by ISPA/AHLEI).

Encouraging Investment in Human Resource Development (HRD) Among Spa Companies

- 14) Encourage spas to invest in proactive HRD activities and career development pathways by offering forums, workshops, and speakers on these topics at major industry events.
- 15) Disseminate information and promote adoption of industry-sponsored credentials for spa managers/directors (such as the ISPA/AHLEI CSS program).
- 16) Sponsor industry research on other workforce topics, such as spa personnel compensation benchmarking, or HRD approaches and best practices in spa and related industries.
- 17) Encourage large spa chains to create formal spa management trainee programs (similar to those offered in the hospitality industry).
- 18) Encourage major resort/hotel chains to extend rotations within their existing hotel/hospitality management trainee programs to include spa.
- 19) The specific requirements and responsibilities for a “spa manager” or “director” position should be carefully spelled out in job postings, since industry use of these titles is not consistent.
- 20) Be more cooperative as an industry to promote adoption of existing spa management education/training resources and programs, and to support development of new resources.

I. Introduction

The services delivered by spas to their customers are fundamentally about the power of human touch and human interaction. As such, *people* are at the heart of a spa. People are a spa's greatest asset and are essential to its success, but people are also typically a spa's greatest expense and greatest challenge. The fundamental importance of human resources to the future of the spa industry was underscored by the delegate survey conducted at the 2011 Global Spa & Wellness Summit⁴ in Bali, Indonesia, where delegates rated "training/education" as the #1 greatest challenge facing the spa industry today, and also rated "lack of professional human resources" as the #1 obstacle to growth for their own businesses.

While staffing challenges occur across all levels and positions in today's spas, these challenges are *especially important* at the management level. As with any other business, talented leadership and strong management are critical to the success and functioning of a spa. Managers set the tone for how all other spa employees work and interact. For a host of reasons, spa staffing challenges are also *especially prevalent* at the management level. This has been a longstanding problem in the modern spa industry, stretching back over the industry's explosive growth of the previous decade or two, and continuing into today's era of economic downturn and higher unemployment.

The Global Spa & Wellness Summit has commissioned this study by SRI International to examine the many challenges faced by today's spa industry in hiring strong, well-qualified spa management personnel, as well as the root causes of these challenges. The study presents a series of recommendations for industry stakeholders to pursue in order to address key market gaps in the supply and demand for skilled spa managers, based on an in-depth assessment of the following:

- ***What are the key skills/abilities, personal characteristics, and job requirements for spa managers, as well as typical career paths for these workers?***
- ***What educational institutions and private training companies are in the marketplace to train spa management workers, and what are the strengths and weaknesses of existing training programs?***
- ***What staff development and continuing education approaches are used by spa companies to nurture and train their management-level workers?***

⁴ Prior to 2012, the Summit was officially called the *Global Spa Summit (GSS)*.

Methodology

The analysis and recommendations presented in this report are based upon extensive primary and secondary research conducted by SRI International from December 2011 to May 2012. In addition to conducting a literature review and gathering existing information on spa management/education, workforce development, and management issues in general, the research team conducted the following primary research:

- Three global online surveys were conducted during January-March 2012: 1) a survey of current spa managers/directors; 2) a survey of spa industry executives and thought leaders; and 3) a survey of spa management-related educational programs and private training companies.⁵
- Over 45 telephone interviews were conducted with leading industry “thinkers” representing different segments of the global spa industry, as well as with representatives of spa management education programs and training providers.

The research conducted by SRI International was supported by additional research work conducted by Charlett Kohlwes (a student of Tourism & Recreation Management with a major in Spa Management at Saxion University in the Netherlands), who conducted an extensive inventory to gather programmatic information from over 100 spa management educational programs and training providers around the world.

Terminology

The job titles used for spa management positions vary considerably across different spa companies. This phenomenon is common in nearly every industry and is not necessarily a problem, but does make it essential to define the specific types of workers we are focusing on in this report. When this report refers to “spa management personnel,” “spa management workforce,” or “spa managers,” we are specifically referring to the following positions in a spa: assistant spa manager, spa manager, assistant spa director, spa director, and group or regional spa manager/director (as well as similar positions that may use slightly different job titles – including the combination of owner/manager in smaller, independent spas).

The most prevalent practice in the spa industry is to use the title “spa manager” for more junior management positions and “spa director” for more senior management positions; therefore, when this study makes distinctions across the two

Most Prevalent Use of Job Titles for Spa Management Positions



⁵ A description of the survey methodology and number of responses is provided in *Appendix E*.

types of positions, we assume this order of seniority. In the survey of spa industry leaders/executives conducted for this study, 47% of the respondents who currently work in or operate spas reported that their company follows this pattern – using “spa director” for more senior positions and “spa manager” for more junior positions. However, 38% reported that their company only uses the title “spa manager” (and does not use the title “spa director). Around 11% use only the title “spa director” (and not the title “spa manager”), and only 4% report reversing the order of seniority (with “spa manager” as a more senior position and “spa director” as a more junior position).

Based on the survey results, there does not appear to be any particular pattern or trend in the use of spa management job titles (in terms of different patterns being more prevalent in specific regions or specific types of spas). Interestingly, in several cases where there were multiple survey respondents from the same spa chain or hotel/resort chain, persons working within the same chain in different countries reported different patterns in how these job titles are used within their company.

II. The Challenge of Spa Management in Today's Spa Industry

A. Historical and socioeconomic context for the management "talent gap"

The management workforce challenge currently being faced by the spa industry is *not new*, and is also *not unique to the spa industry*.

Looking back 10 or more years ago, when the spa industry was in the height of its rapid growth period in many parts of the world, industry analysts and media were already discussing spas' growing challenges in recruiting qualified managers and directors. For example, a 2000 article in ISPA's *Pulse* magazine stated that "The biggest educational hole in the industry is the spa director,"⁶ while another ten-year-old article in *Massage Magazine* commented that "The biggest challenge for spa today is finding competent managers who understand the industry."⁷ However, even in the recent economic climate – when spa industry growth has slowed (but not stopped) in regions that were previously experiencing explosive growth, and when higher unemployment means that workers *should* be more readily available – the spa industry's management personnel challenges have persisted. These ongoing challenges indicate that the spa industry's problems with finding spa management personnel are more than a simple supply/demand issue, but are linked with a broader structural challenge in the industry's overall management workforce pipeline.

To understand what is behind the spa industry's management workforce gap, it is critical to situate the problem in the context of broader economic and societal shifts that have been occurring in the global economy – because **spas are not alone in their problems hiring talented management-level workers**. As far back as 25 years ago, economists in the United States (and increasingly globally) began documenting a growing workforce gap faced by businesses, who were increasingly unable to find the right workers with the right preparation and skills to perform their jobs well.⁸ Jeffrey Pfeffer, Professor of Organizational Behavior at Stanford University

If competitive success is achieved through people, then the skills of those people are critical. Consequently, one of the most obvious implications of the changing basis of competitive success is the growing importance of having a work force with adequate skills.

~ Jeffrey Pfeffer
Competitive Advantage Through People: Unleashing the Power of the Work Force

⁶ Sara Eavenson, "Evolving Qualification Standards for the Spa Industry," *Pulse*, July/August 2000, re-posted on *Spatriade.com*, <http://www.spatriade.com/spa-business/finding-qualified-spa-directors-becomes-increasingly-difficult>.

⁷ "SpaTalk: Spa-Management Opportunities for Massage Therapists," *Massage Magazine*, <http://www.massagemag.com/spa/talk/spaManagement.php>.

⁸ For example, a landmark 1987 study by the Hudson Institute, entitled *Workforce 2000*, predicted several key workforce-related challenges and gaps that the U.S. economy would face at the turn of the millennium.

and a leading thinker on management and human resources, wrote in his 1996 work, *Competitive Advantage Through People: Unleashing the Power of the Work Force*, that the fundamental basis for firms' competitive advantage was becoming increasingly grounded on organizational culture and managing people, while shifting away from traditional foundations for success (such as product/process technologies, regulatory advantages, financial resources, and economies of scale).⁹

Around this same time, a seminal work by McKinsey & Company coined the phrase "War for Talent" to describe an increasingly competitive landscape for recruiting and retaining talented employees.¹⁰ In a 2001 follow-up to their original 1997 study, McKinsey surveyed 6,900 managers at 56 major U.S. companies and found that:

...the market for talent is the most competitive it's been in decades. Demand for business leaders and other highly skilled workers is growing rapidly in response to the unprecedented opportunities – and challenges – to be addressed in the knowledge-based economy. We acknowledge that the demand for managerial talent will ebb and flow with the economy, but the long-term trends indicate continued high demand.

~ McKinsey & Co.
The War for Talent, April 2001

- 89% of managers felt it had become more difficult to attract talented people than it was three years ago;
- 90% of managers thought it had become more difficult to retain talented people;
- Just 7% of managers strongly agreed that their companies had enough talented managers to pursue all or most of their promising business opportunities.¹¹

McKinsey's 2001 study also found that companies that excel at "talent management" achieved returns to their shareholders that were 22 percentage points better than the average firm in their industry. McKinsey's conclusion (from this and other data)

was that "better talent management causes better performance."¹²

A synthesis of the workforce-focused research and analysis that has been conducted over the last couple of decades leads to the conclusion that for many companies and industries, 1) workforce is increasingly the most important factor for success; and 2) skilled and talented workers are increasingly difficult to recruit and retain. Drawing upon the work conducted by Pfeffer, McKinsey, and others, these workforce-related challenges can be attributed to a number of factors:

⁹ Jeffrey Pfeffer, *Competitive Advantage Through People: Unleashing the Power of the Work Force*, Harvard Business Press: 1996.

¹⁰ Elizabeth G. Chambers, Mark Foulon, et al, "The War for Talent," *The McKinsey Quarterly*, August 1998, No. 3, p. 44-57, https://www.mckinseyquarterly.com/The_war_for_talent_305.

¹¹ Elizabeth L. Axelrod, Helen Handfield-Jones, and Timothy A. Welsh, "The war for talent, part two," *The McKinsey Quarterly*, May 2001, No. 2, p. 9, https://www.mckinseyquarterly.com/The_war_for_talent_part_two_1035.

¹² McKinsey & Company, *The War for Talent*, April 2001, http://autoassembly.mckinsey.com/html/downloads/articles/War_For_Talent.pdf.

- Demographic shifts in most developed countries mean that the supply of 35-44 year olds (the age at which many people would start entering management level jobs) is shrinking.¹³ As the “baby boomer” generation retires, the supply of management-aged workers will become increasingly thin.
- Due to social and technological changes, switching jobs is becoming easier than ever, and has less and less stigma attached to it.¹⁴
- Meanwhile, as the increasingly competitive global economy becomes increasingly driven by service, knowledge, innovation, and experience, the skills and abilities of a company’s workers to deliver on these competitive factors become all the more vital. Jobs today require significantly higher skill levels than jobs of previous eras.

B. Understanding the specific management workforce challenges in the spa industry

In an industry survey conducted for this study, 95% of spa industry leaders who oversee and hire spa managers/directors stated that they currently face challenges finding job candidates with the right combination of qualifications and experience. About 52% of spa industry leaders also believe that their difficulties in hiring good spa managers/directors will stay the same or worsen over the next decade. These statistics clearly reveal that spa businesses are facing a fundamental challenge in their management workforce – they are simply not able to find enough people with the right skills to fill management-level positions. The root causes behind this spa management talent gap are multifold and complex (and will be explored in-depth in *Sections III, IV, and V* of this report), but they can essentially be boiled down to three core challenges:

- **Challenges Relating to Current/Future Spa Managers, Skill Sets, and Career Pathways:** Good spa managers/ directors need a mix of technical business skills (or “hard skills”) and people and communications skills (or “soft skills”), combined with a deep passion and understanding for the spa industry – and it is difficult to find a person with strong innate skills across all these areas. There is no well-defined pathway for entering a career in spa management, and the two prevalent channels for hiring spa managers/directors typically result in specific and predictable skills gaps. Spa managers/directors who are promoted upwards within a spa company (especially from therapist positions) usually lack the “hard skills” and business acumen, while spa managers/directors hired from outside the business often lack the “soft skills” and deep understanding of spa. While this pattern is of course a generalization and does not necessarily apply to every person working in spa management,

¹³ See the two McKinsey reports cited above.

¹⁴ Ibid.

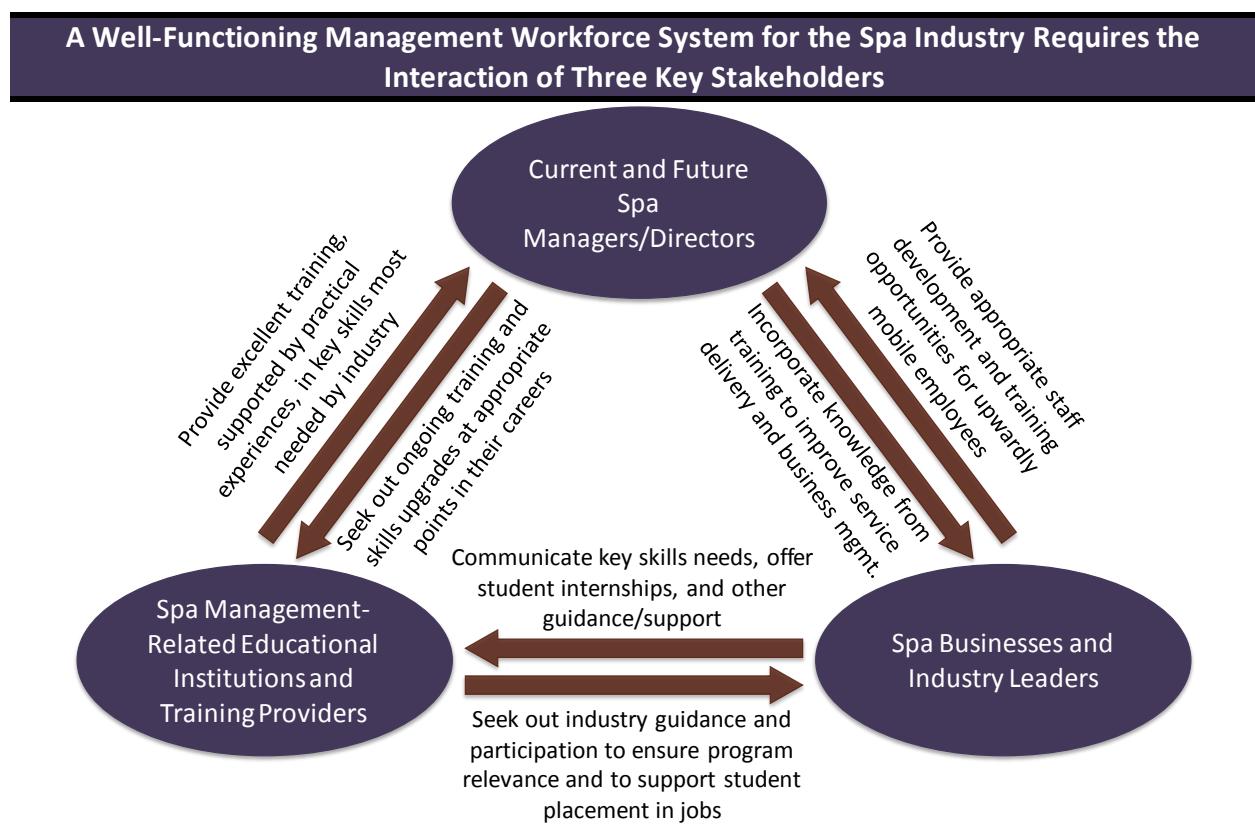
it is a pattern and concern that was repeated by virtually every spa industry leader interviewed in the research for this study. Additionally, spa management as a career requires long hours and work weeks, and sometimes significant travel and geographic mobility as people advance in their careers. The demands of a job that may cause “burn-out,” combined with a perception that there is limited upward mobility from spa manager/director positions, may make spa management a difficult career to “sell” to students and future workers. *These challenges will be explored in Section III of this report.*

- **Challenges Relating to Education and Training Providers:** There are only 64 spa management-related degree programs globally at universities/colleges/schools that provide education for students interested in careers in spa management. The annual number of graduates from these programs meets only a tiny fraction the spa industry’s growing hiring needs for well-trained spa management personnel (i.e., there are only around 4,000 students worldwide currently enrolled in spa management-related degree programs, but there are an estimated 130,000-180,000 spa managers/directors currently working in spa businesses globally). For this reason, industry leaders tend to place very little emphasis on educational credentials when hiring spa managers/directors. This problem is closely linked with the gaps in “hard skills” and technical/business management skills that industry leaders complain are prevalent among their spa managers/directors. In addition, the relatively few programs that do exist are all fairly new and are sometimes not as well-connected to the spa industry as they ideally should be. *These challenges will be explored in Section IV of this report.*
- **Challenges Relating to Spa Businesses:** There are few spa companies that put adequate attention and resources into staff development and training programs to support their spa staff as they move up the ranks to management-level positions – which also contributes to the gaps in “hard skills” and technical management skills among many spa managers/directors. Without proactive attention to succession planning and career pathways within a spa, employees are not likely to be prepared for higher-level positions as they advance within the company. *These challenges will be explored in Section V of this report.*

C. Envisioning a new approach for spa management workforce development

The management talent gap currently being faced by the spa industry is not something that can easily be fixed by, for example, “making the spa management educational programs do a better job” or “starting up more spa management training programs.” The industry’s ongoing challenges reflect a complex interplay of factors that will require a multi-pronged approach to solve.

In looking to the future, we encourage the spa industry to take a more proactive and partnership-oriented approach towards management workforce development. This approach must view workforce development not as the responsibility of just the schools or the workers alone, but rather a *system* or *network* in which every stakeholder plays a critical role. The interactions and partnerships between the key stakeholders in the workforce development system are what make the system operate at its best (see graphic below).



The remainder of this report will provide a more in-depth focus on each of the three key stakeholder groups in the spa management workforce system – looking into the strengths, gaps, and challenges currently being experienced by each stakeholder group, and providing recommendations on how these three key players can more effectively work together to address the management workforce gap. However, even in an ideal world – where all three

players are performing their best and working together efficiently – there is no guarantee that the spa industry's management workforce problems will be entirely “solved.” The demographic and social forces at play in today's economy (as outlined above) – which are outside of the control of the spa industry – mean that recruiting and retaining talented management-level workers is likely to be an ongoing challenge for most companies around the world (not just for spas!). Nonetheless, the industries and companies that invest in a proactive, partnership-based approach for cultivating the management talent pipeline are those that are likely to come out ahead in today's competitive global economy.

A note to the reader: While the analysis and recommendations presented in this report specifically focus on management-level workers in the spa industry, the three-pronged approach to workforce development described above, as well as many of the specific recommendations, could be easily adapted and applied to all levels of spa employees (from entry-level therapists or receptionists to executive-level managers). In fact, most workforce development initiatives are likely to be most successful if they focus on providing the right kind of training, nurturing, and opportunities at all levels in the workforce pipeline, so that people can seamlessly work their way up through a defined career ladder. This concept will be further elaborated upon in Sections III and V of this report.

III. The Spa Management Workforce System: Current and Future Spa Management Employees

Key Findings

1. A good spa manager/director must have both a “head” and “heart” for spa; exceptional people skills; the abilities of an entrepreneur; and must be flexible, adaptable, and mobile.
2. Spa management requires a huge and challenging range of skills and job responsibilities – including “hard skills” (e.g., management, finance, etc.) and “soft skills” (e.g., communications, teamwork, etc.). Most people require both significant formal education/training and practical, on-the-job experience in order to build this skill set.
3. The skill set for spa managers/directors is remarkably consistent around the world (although cultural awareness is required due to the geographic diversity and cultural roots of spa). Skills do vary considerably between day spas and hotel/resort spas.
4. Two typical pathways into spa management are: promoting existing spa employees into management positions or hiring someone from outside the spa business (and each has significant pros and cons). Upward career pathways beyond spa management positions are varied and not well-defined.
5. Spas rate “experience working in management and in the spa industry” as the most important background qualifications when hiring spa managers/directors, followed by “training or experience in the spa modalities.” Formal educational credentials are considered to be only “moderately important” – probably because formal degrees related to spa management are still relatively new and relatively rare, and are perceived as being a bit disconnected from industry needs. The majority of spa industry leaders do feel it would be beneficial if more people received formal spa management-related degrees.
6. Hard skills in business and management are considered to be the number one deficiency among today’s spa managers/directors. Key weaknesses include: strategic planning skills, IT skills, revenue management skills, legal/regulatory compliance skills, public relations/promotional skills, and financial management/accounting skills.

In order to understand the management talent gap currently faced by the spa industry, it is first critical to understand the role that a spa manager or director plays in a spa. What are the typical job responsibilities of a spa manager or director? What are the key attributes and skills required? How does this vary across different types of spas or different regions? What are the pathways through which people enter spa management careers? The answers to these questions – which will be explored in this section of the report – provide a deeper

understanding of the complex challenges faced by spas in recruiting spa managers/directors, as well as the challenges faced by spa managers/directors themselves in pursuing a career in spa management.

A. What makes a good spa manager/director?

Being a good spa manager or director is an extremely difficult job. It is perhaps even more difficult than working in management positions in other industries because of the complex combination of hard and soft skills that are required to competently manage a spa – and few persons innately possess the necessary acumen for both the hard and soft skills without significant education, training, and mentoring. Based on the extensive interviews, surveys, and other research conducted for this study, a number of key attributes stand out as being unique factors that are required to succeed in a spa management position.

1. A good spa manager must have both a “head” and a “heart” for the spa business

Effective spa managers need to have a foot in the door of the spa world and a foot in the door of the business world:

- On the one hand, most people enter the spa industry as a career not simply because they are looking for a job, but because they have a “passion” for spa and feel a “calling” for the values that spas represent: the power and benefit of human touch, the connection of mind-body-spirit, the importance of wellness, and so on. The best spa managers do not simply approach their jobs as a “profession,” but rather as a “lifestyle” – they fully embrace the values of spa and are an authentic reflection of these ideals. These traits are critical because they not only set the tone for the spa’s environment and services, but also allow the spa manager to effectively communicate both with the therapists he/she is managing as well as the customers of the spa.
- On the other hand, “passion” alone is not enough to make a good spa manager. At the end of the day, a spa is a business that must cover its costs and make a profit to survive. A successful spa requires a strong manager who has the business and financial acumen to manage the staff, facilities, operations, and other aspects of the business. These kinds of business management skills are not innate – they require technical knowledge that typically must be gained through some kind of education or training program (or through on-the-job learning at a minimum).

2. A good spa manager must have exceptional people skills

Because of the nature of the business and the services provided in a spa, people skills tend to be much more critical in spas than in many other industries. The best spa managers have superb

communications and inter-personal skills and are able to apply these skills both to the staff they manage and to the customers of their spa. This can be especially tricky in a spa because both the staff and customers often have particular “quirks” that can make them more difficult to communicate with. In terms of spa staff, many in the spa industry say that spa therapists approach their jobs like “artists,” and from a management perspective often require special understanding and communication that is different from what might be required of a typical office worker. In terms of spa customers, people who visit a spa are often coming to address a problem or ailment (whether physical, mental, or spiritual), and also may require a special level of understanding from the spa manager (and staff) to communicate with them and address their needs.

3. A good spa manager needs skills similar to those of an entrepreneur

More so than in other types of businesses, persons working in spa management need to be able to understand and manage a huge range of tasks and people, as there may be 10-20 people (or more) working in a spa, each performing an entirely different type of job, on top of dealing with customers and the general day-to-day operations of the facility itself. For this reason, many in the spa industry compare the role of a spa manager/director more to that of a business owner or entrepreneur rather than a “middle management” kind of position.¹⁵ Even for spas operating within a large international chain, successful spa managers often approach their jobs as if they are the owner of the business, responsible for the success of all aspects of the spa’s operations.

4. A good spa manager must be flexible, adaptable, and mobile

Spa management is not a Monday-Friday, 9-5 job. Most spa managers work long days and long weeks (often 10 hour days, 6 days a week), in a job that can be both physically and mentally demanding. These kinds of hours are not for everyone, so good spa managers must have flexibility and a strong dedication to their career to survive in this kind of working environment. In addition, the spa industry is geographically and globally diverse. Opportunities for spa managers/directors to move up to a higher-level management position very often require geographic mobility and travel – perhaps moving to a larger spa in another country or a resort spa in a more remote area, or taking a regional or group spa management position that requires frequent travel to oversee multiple spa locations. This kind of mobility also requires a high level of flexibility and dedication to the career of spa management, as well as an ability to adapt to different cultural practices, languages, and other differences that affect how spas operate in different locations around the world. The long hours and travel required of spa managers/directors may create particular challenges for those trying to balance a career with the demands of family and personal life.

¹⁵ Although the comparison of a spa manager/director to an entrepreneur is stronger for some types of spas than others, as elaborated later in this section.

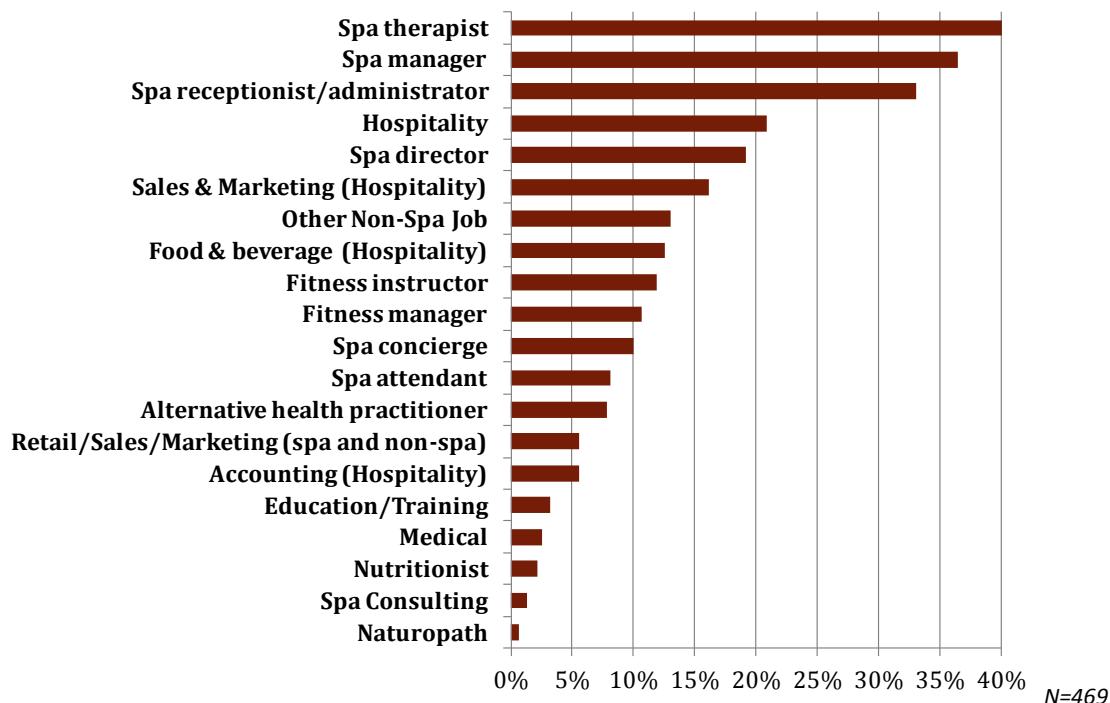
Profile of Today's Spa Managers/Directors

The following statistics are drawn from an online global survey of persons currently working in spa manager/director positions, conducted during January-March 2012. The survey collected 469 responses (62% in North America and 38% from other regions of the world). As the survey utilized a convenience sampling technique, the results cannot be assumed to be representative of all spa managers/directors worldwide. However, the research team feels that the statistics gathered from the survey group provide an interesting profile of the background and experiences of persons currently working in spa management positions.

Experience and Background:

- 43% have worked in a management position in only one spa/company, while 42% have worked in 2-3 spas/companies, and 15% have worked in 4 or more.
- The majority (57%) have 6-15 years of experience in the spa industry. 23% have 16 or more years experience, while 20% have 5 or fewer years of experience.
- 40% have previously worked in a spa therapist position.

Previous Jobs Held:



Educational Credentials:

- 4% have a degree in spa management
- 5% have a degree in hospitality/tourism/business management
- 58% have a degree in a non-spa field
- 56% have received formal training in a spa therapy

Job Titles:

- 40% have the title "Spa Director" and 33% are a "Spa Manager."
- 3% are "Assistant Spa Manager/Director," 2% are "Group Spa Manager/Director," and 2% are "Regional Spa Manager/Director."
- 19% have some other job title.

Profile of Today's Spa Managers/Directors (Continued)															
<p>Size and Number of Spas Managed:</p> <ul style="list-style-type: none"> 25% supervise 0-10 people, 29% supervise 11-25 people, 27% supervise 26-50 people, and 19% supervise more than 50 people. 81% manage only one spa, while 14% manage 2-5 spas and 5% manage 6 or more spas. 	<p>Demographics:</p> <ul style="list-style-type: none"> 80% are female and 20% are male. The majority (72%) are between 26-45 years old. 20% are 46-55 years old, and 5% are 56-65 years old, while only 1% are 25 years or younger. 														
<p>Annual Compensation</p> <table border="1"> <thead> <tr> <th>Salary Range</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Less than \$5,000</td> <td>9%</td> </tr> <tr> <td>\$5,001-\$20,000</td> <td>8%</td> </tr> <tr> <td>\$20,001-\$40,000</td> <td>15%</td> </tr> <tr> <td>\$40,001-\$60,000</td> <td>22%</td> </tr> <tr> <td>\$60,001-\$80,000</td> <td>22%</td> </tr> <tr> <td>Greater than \$100,000</td> <td>14%</td> </tr> </tbody> </table>	Salary Range	Percentage	Less than \$5,000	9%	\$5,001-\$20,000	8%	\$20,001-\$40,000	15%	\$40,001-\$60,000	22%	\$60,001-\$80,000	22%	Greater than \$100,000	14%	N=316
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Less than \$5,000	9%														
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B. Key job responsibilities and skills of a spa manager/director

As mentioned above, spa management requires a unique combination of hard and soft job responsibilities and skills. These responsibilities and skills are summarized in the diagram below and elaborated in greater detail in subsequent sections.



1. Key job responsibilities for spa managers/directors

In two surveys conducted for this study, the SRI research team asked both current spa managers/directors and other industry executives/leaders about the importance of various job responsibilities for a spa manager/director. Across the board, the majority of respondents selected “very important” for all 14 job responsibilities listed in the question – which provides an indication of the huge range of responsibilities a spa manager/director must attend to in his/her day-to-day work. Across both groups of survey respondents, the following job responsibilities for spa managers/director were rated as most important:

The most important job responsibilities for a spa manager/director are:

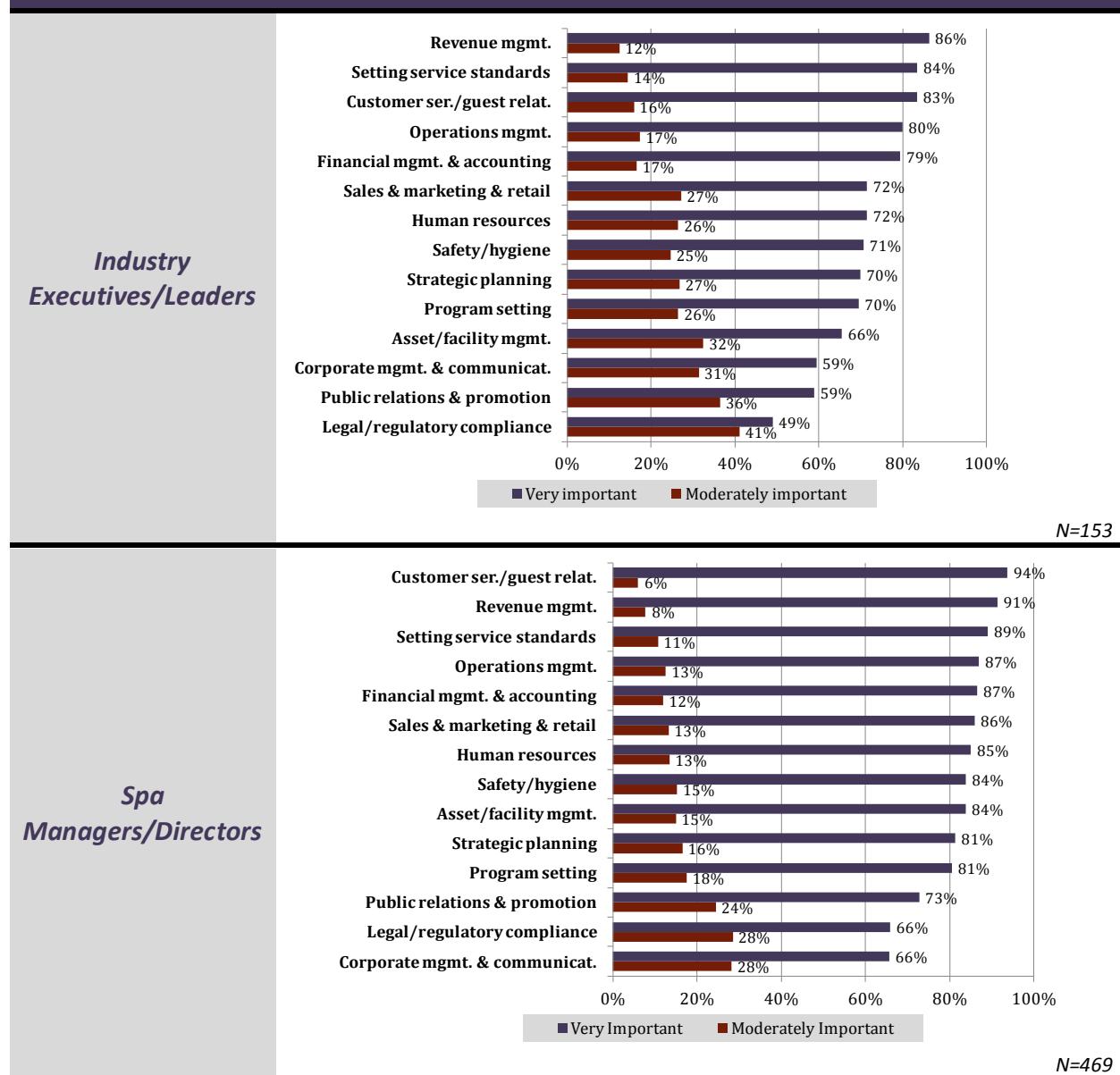
- ***Revenue management***
- ***Setting service standards***
- ***Customer service/guest relations***
- ***Operations management***
- ***Financial management & accounting***

1. **Revenue management:** 86% of industry leaders and 91% of spa managers/directors rated as “very important”.
2. **Setting service standards:** 84% of industry leaders and 89% of spa managers/directors rated as “very important”.
3. **Customer service/guest relations:** 83% of industry leaders and 94% of spa managers/directors rated as “very important”.
4. **Operations management:** 80% of industry leaders and 87% of spa managers/directors rated as “very important”.
5. **Financial management & accounting:** 79% of industry leaders and 87% of spa managers/directors rated as “very important”.

The charts on the following page provide additional details about how both survey groups rated 14 job responsibilities for spa managers/directors. The answers were relatively consistent across both groups, with some variations in order across each tier of answers. For example, the same three job responsibilities appeared in the top three for both survey groups, but ranked in a different order – industry leaders rated “Revenue management” as most important, while spa managers/directors rated “Customer service/guest relations” as most important. Also note that a larger percent of spa managers/directors than industry leaders rated each job responsibility as “very important,” across the entire list of 14 items.

How important are the following job responsibilities for spa managers/directors?

From the perspective of:



Looking at the survey responses on a regional basis, there are some interesting variations in the emphasis placed on different job responsibilities for spa managers/directors across different regions of the world, as reflected in the table below. While a number of key job responsibilities appear at the top of the list across all most or all regions of the world – such as “Customer service/guest relations” and “Revenue management” – there are other notable variations. Spa managers/directors in Asia-Pacific and Europe tend to emphasize “Safety/hygiene” much more so than in other regions, while those in North America and Middle East-Africa place more emphasis on “Financial management & accounting.” “Human resources” receives greater

emphasis in Europe, Latin America-Caribbean, and Middle East-Africa, while “Sales & marketing & retail” receives much greater weight in Latin America-Caribbean and Middle East-Africa.

Top Five Job Responsibilities Emphasized by Spa Managers/Directors Across Five Regions				
Asia-Pacific	Europe	Latin America-Caribbean	Middle East-Africa	North America
1. Customer ser./guest rel.	1. Operations management	1. Customer ser./guest rel.	1. Revenue management	1. Revenue management
2. Revenue management	2. Setting service standards	2. Asset/facility management	2. Human resources	2. Customer ser./guest rel.
3. Safety/hygiene	3. Customer ser./guest rel.	3. Revenue management	3. Sales & mktg. & retail	3. Setting service standards
4. Operations management	4. Human resources	4. Human resources	4. Customer ser./guest rel.	4. Financial mgt. & accounting
5. Setting service standards	5. Safety/hygiene	5. Sales & mktg. & retail	5. Financial mgt. & accounting	5. Operations management

Note: The data presented in the table above are drawn from the Spa Managers/Directors survey only. Regional data are not presented for the Industry Leaders/Executives survey because the response rate was not large enough to provide a statistically valid breakdown of responses by region. Suffice it to say, the regional responses by Industry Leaders/Executives generally paralleled the top responses presented above, with some slight variations in rankings.

2. Key characteristics, skills, and qualities for spa managers/directors

The two surveys also asked both spa managers/directors and industry executives/leaders about the importance of various characteristics, skills, and qualities needed to succeed as a spa manager/director. Out of the 12 specific skills/characteristics listed in the question, the majority of respondents rated 11 of the skills as “very important”¹⁶ – again providing an indication of the vast range of abilities that is required to work in spa management. Both survey groups rated the following skills/characteristics as most important for spa management personnel:

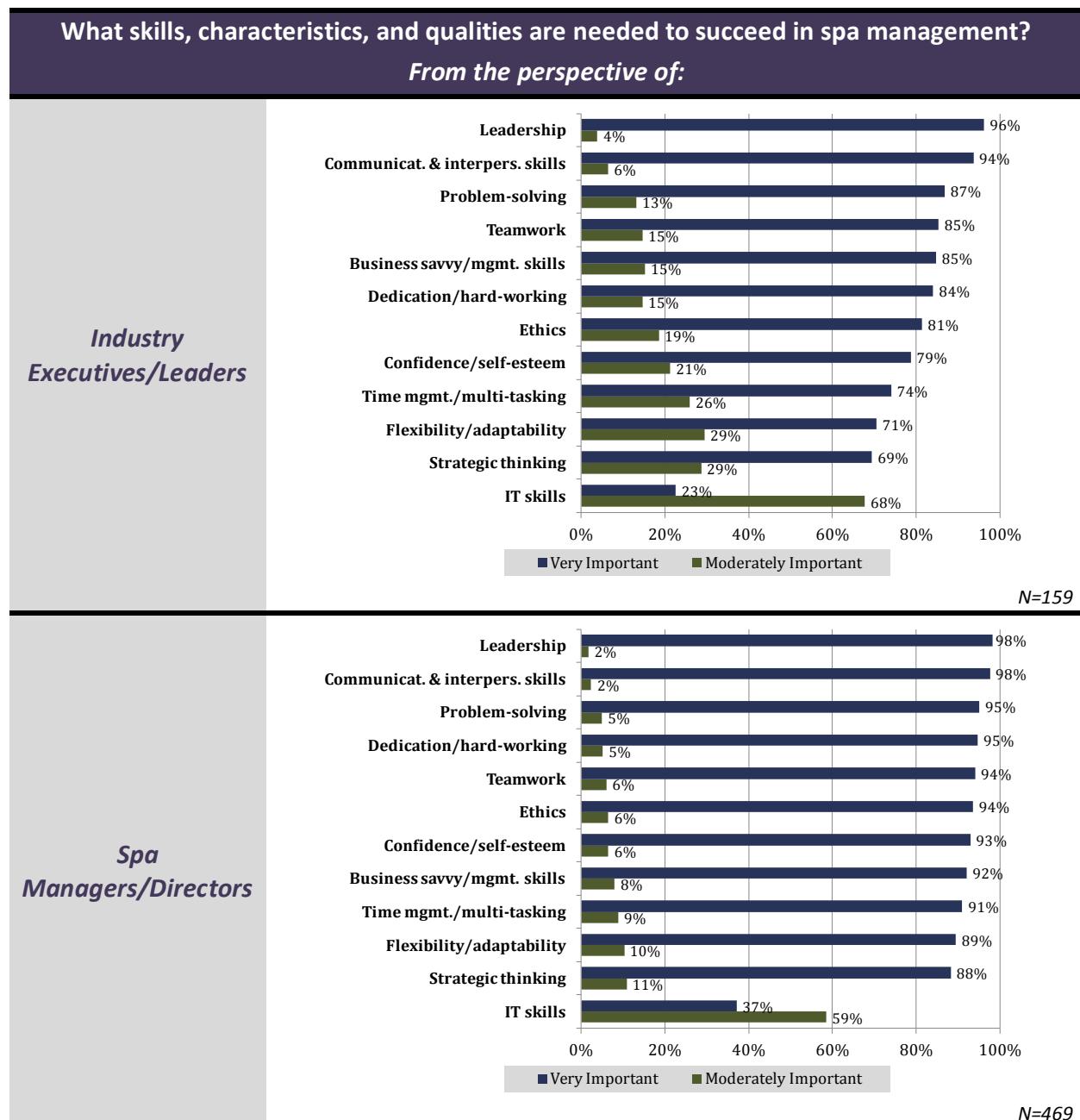
The most important skills to succeed as a spa manager/director are:

- **Leadership**
- **Communications & inter-personal skills**
- **Problem-solving skills**

1. **Leadership:** 96% of industry leaders and 98% of spa managers/directors rated as “very important”.
2. **Communications & inter-personal skills:** 94% of industry leaders and 98% of spa managers/directors rated as “very important”.
3. **Problem-solving skills:** 87% of industry leaders and 95% of spa managers/directors rated as “very important”.

¹⁶ The only skill rated as “moderately important” by both groups of survey respondents was “IT skills.”

The following charts provide additional details about how both survey groups rated various skills/characteristics for spa managers. As above, the answers were relatively consistent across both groups, with some variations in the middle tier of skills – for example, spa managers/directors tended to rate “Dedication/hard-working” as more important, while industry executives/leaders tended to rate “Business savvy/management skills” as more important.



Looking at the survey responses on a regional basis, there are many commonalities in the emphasis placed on key skills, characteristics, and qualities for spa managers/directors across different regions of the world, as reflected in the table below. “Leadership” appears at the top of the list in every region, and “Communications & interpersonal skills” also appears in the top five for every region. “Teamwork” is among the top five skills for all regions except North America. Interestingly, “Business savvy/management skills” appears at the top only in Asia-Pacific, while “Ethics” receives much greater emphasis in Latin America-Caribbean and North America than in other regions. “Dedication/hard-working” also receives much more weight in North America as compared to other regions.

Top Five Skills & Characteristics Emphasized by Spa Managers/Directors Across Five Regions				
Asia-Pacific	Europe	Latin America-Caribbean	Middle East-Africa	North America
1. Leadership	1. Leadership	1. Leadership	1. Leadership	1. Leadership
2. Communic. & interpers. skills	2. Teamwork	2. Communic. & interpers. skills	2. Communic. & interpers. skills	2. Communic. & interpers. skills
3. Teamwork	3. Time mgmt./ multi-tasking	3. Ethics	3. Teamwork	3. Dedication/hard-working
4. Problem-solving	4. Communic. & interpers. skills	4. Teamwork	4. Flexibility/adaptability	4. Ethics
5. Bus. savvy/mgmt. skills	5. Problem-solving	5. Strategic thinking	5. Time mgmt./ multi-tasking	5. Problem-solving
N=91	N=43	N=24	N=21	N=290

Note: The data presented in the table above are drawn from the Spa Managers/Directors survey only. Regional data are not presented for the Industry Leaders/Executives survey because the response rate was not large enough to provide a statistically valid breakdown of responses by region. Suffice it to say, the regional responses by Industry Leaders/Executives generally paralleled the top responses presented above, with some slight variations in rankings.

3. Variations in spa management skills and responsibilities across different regions

Apart from the minor variations described in the sections above, the skills and job responsibilities for spa managers/directors are considered to be remarkably consistent across different countries and regions around the world. Among the many industry leaders and executives interviewed for this study, there was nearly unanimous agreement that the skill set required of spa managers/directors is largely the same no matter what country they are working in – at the end of the day, a spa is a commercial business, and fundamental business skills apply everywhere.

Where regional and cultural differences do become important from a spa management perspective, however, is in the types of support networks and “people management” skills that may be needed within a spa.

- ***Spa managers/directors in different regions may require different kinds of support networks and training to fill culturally-rooted skills gaps.*** First, due to varying cultural traits, the innate acumen of spa managers/directors for the specific skills and responsibilities in their job may vary across different countries and regions. Some industry leaders have suggested, for example, that Asian spa managers/directors may innately have stronger soft skills or people skills (but less focus on hard skills and technical business management skills); American and European spa managers/directors may be better grounded in technical business skills (but have less acumen for the softer people skills). While these variations do somewhat reflect cultural stereotypes and will clearly not apply to everyone, what they indicate is that spa industry executives who are leading spa companies in different regions of the world do need to be attuned to the cultural differences in management practices across different countries, and may need to provide different kinds of support networks or training for their spa managers/directors in areas where innate skill sets may be weaker.
- ***Spa managers/directors that are globally mobile require strong cultural sensitivity and language skills on top of their other key job skills/responsibilities.*** Second, because spa is a global industry (and because much of the industry's growth is occurring internationally), spa managers/directors who take jobs in regions outside of their "home turf" need to have a high-level of cultural sensitivity and adaptability (as well as foreign language skills), in addition to the other essential skills required to do their job well. Different approaches may be needed to manage workers (and deal with clients) with different cultural backgrounds – and this can be particularly true in a spa, where cultural/historical practices can be such an essential part of a spa's atmosphere and services.

4. Variations in spa management skills and responsibilities across different types of spas

The skills and responsibilities required of spa managers/directors do differ considerably between hotel/resort (and chain-based) spas and day (independent) spas.

- ***In a day spa, the spa manager/director typically functions like an independent entrepreneur, responsible for all aspects of the business (and may, in fact, also be the owner).*** Because a day spa is typically a standalone operation, the demands placed on the spa manager/director are huge. The spa manager/director is often also the owner of the spa and essentially must run all aspects of the business on his/her own – from the facilities and operations, to staffing, to financial management, to marketing, and so on. Since a day spa must generate its own business, the manager/director/owner must play an active role in sales/marketing and is closer to the customer than in other types of spas, constantly working to bring clients into the spa. At the end of the day, if the manager/director/owner

does not perform the job well, the spa may close down – placing an incredible amount of pressure on his/her leadership and skills as a manager and/or business owner.¹⁷

- ***In a hotel/resort or chain-based spa, the spa manager/director has a greater “buffer” and support network, but also needs extra skills to be able to operate within the procedures of a corporate-led environment.*** Since hotel/resort spas are physically located within a hotel/resort property and operate as an amenity of the hotel/resort, the managers/directors in these spas typically benefit from an extensive support structure that comes with the hotel/resort’s operations – including facilities management/maintenance, human resources support, accounting, marketing, and other supporting services. A sizeable share of the spa’s clientele comes directly from the hotel/resort guests (although this share varies from place to place), so the manager/director has somewhat less responsibility for generating client traffic than he/she would in a day spa. Because of the support structure and resources at the disposal of a hotel/resort spa manager/director, a person in these positions may be able to survive with more “skills gaps” than a manager/director in a day spa would. However, the hotel/resort spa manager/director also requires an additional skill set in terms of being able to function in a corporate-led environment, follow the company’s standard operating procedures, and “managing up” (i.e., interacting effectively with the hotel/resort General Manager or other corporate-level executives in the hotel/resort or chain).

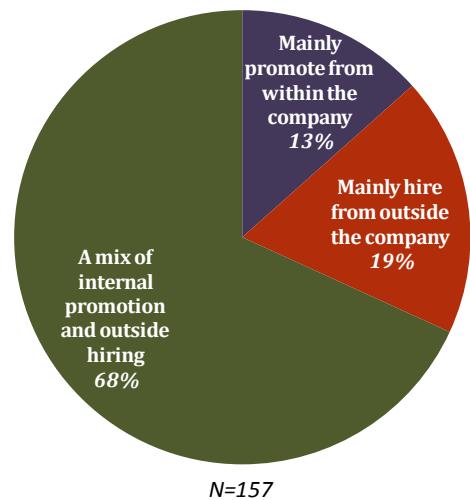
Comparison of Spa Manager/Director Skills and Responsibilities in Day Spas and Hotel/Resort Spas	
Day Spa Manager/Director	Hotel/Resort Spa Manager/Director
<ul style="list-style-type: none"> • Often is an independent owner/entrepreneur – or must operate like one • Has no support network • Is responsible for ALL aspects of the spa business • Is closer to the customer – directly responsible for generating client business • Requires a huge skill set because there is no support structure • Is ultimately responsible for the spa’s success or failure 	<ul style="list-style-type: none"> • Must operate within the larger business environment of the hotel/resort facility • Has extensive corporate support structure • Has some aspects of the business that are supported/managed by the hotel/resort • Has less responsibilities in marketing because many clients come from the hotel/resort • Requires additional skills in following corporate procedures and “managing up” • Can get away with some skills gaps, because spa will not close if the manager/director does a poor job

¹⁷ A day spa that operates as part of a chain (e.g., Massage Envy, Red Door Spas, and so on) may not entirely fit this model, and may be somewhere in between the two typologies presented in this section. Managers/directors in chain-based day spas do benefit from a corporate structure and supporting services (and they are not independent owners/entrepreneurs), but at the same time they are likely to have greater responsibilities for marketing, generating clients, financial management, and other day-to-day operations than a hotel/resort spa manager/director would.

C. Career pathways for becoming a spa manager/director

There is no single, “tried and true” pathway to entering a career in spa management. According to the industry leaders interviewed for this study, there are two typical routes that most spa businesses use to hire a spa manager/director – either ***promoting existing spa employees*** into management positions or ***hiring someone from outside*** the spa business. Among the industry executives/leaders surveyed for this study, two-thirds stated that their hiring practices for spa managers/directors include a mix of the two channels (see chart to the right). Each route has its own pros and cons, and the weaknesses inherent in each of the two pathways are very much at the root of the management talent gap that the spa industry is facing.

How do spa businesses typically hire spa managers/directors?



1. ***Promotion within the spa (often from a therapist position):*** Many spa managers/directors start out in lower-level positions within the spa and work their way up through the ranks into management-level positions. Often these promotions take place from spa therapists moving into a lead therapist role, and then into an assistant management level, as well as workers starting out in guest services/reception/front desk/concierge positions and then moving upwards. Many spa industry executives view promoting from within as a very successful and desirable model for sourcing managers because people who have already worked in the spa have a deep, firsthand understanding of that spa's culture and operational structure and can bring that knowledge to their management role. Additionally, people who have worked on the “front-line” in a spa have a deep, firsthand understanding of the spa modalities (if they started out as a therapist) and how to interact with guests; this is invaluable knowledge and empathy to bring into a management position.

Conversely, there are also negatives to promoting lower-level spa employees into management positions. In particular, people who start out as spa therapists (and to a lesser extent, in guest services) are likely strong in soft skills or people skills, but are not likely to have had any training in the hard skills (i.e., finance, business management, marketing, etc.) that are necessary to be an excellent spa manager/director. These kinds of technical skills are typically gained through a college degree program (or else through continuing education), and most spa therapists have not had this kind of education and would tend to be weak in business and financial management skills. Anecdotally, the industry leaders interviewed for this study also suggested that the innate personality traits and “right-brain”

mindset that lead a person into spa therapy may even be incompatible with the technical, “left-brain” skills that are necessary to be a good manager – and therefore, many therapists struggle to transition into management roles because they are not intrinsically inclined toward this kind of job.

These skills gaps can be addressed and overcome if a spa company has a well-developed approach for human resource development, succession planning (grooming future managers), and continuing education; however, as will be addressed further in *Section V* of this report, most spas do not currently have this kind of systematic approach in place and hence may not be providing their lower-level employees and spa therapists with the support and training they need to address their skills gaps and become good managers.

2. ***Hiring outside the spa (often from a degree program or from another field):*** A second pathway is for spas to look outside their company when hiring for management-level positions. In these cases, the spa would usually be looking for a person who already has business management experience or training. Usually (but not always) it would be preferred for this management experience/training to be in the spa industry – or at a minimum, in another sector that shares commonalities with spa (e.g., fitness, beauty, health, etc.). When hiring managers from outside, spas would generally look more closely at a candidate’s educational degree and whether he/she actually has the technical management skills required to do the job. Some spas hire lower-level managers directly out of college-level degree programs (which could be in spa management, but more likely would be in a field such as hospitality/tourism management, business, or some other field). Many spas hire experienced managers away from other spas (especially people who are looking to move up in their careers). Some spas hire entry-level managers from other non-spa jobs. Anecdotally, the industry leaders interviewed for this study said that people who are used to working in jobs where they frequently serve customers, are on their feet all day, and/or deal with the physical body and health can be good candidates for spa management – this may include job backgrounds as varied as hospitality, retail, fitness, nursing, and even social workers, bank tellers, or flight attendants.

The downside of this hiring approach is that the managers/directors who enter their positions through this route often do not have front-line experience working in a spa (e.g., as a therapist) and may not have any personal experience or training with the spa modalities or with face-to-face guest interactions. Managers/directors who come into their jobs directly out of a university/college degree program or out of a non-spa job do not come equipped with a deep, firsthand understanding of the spa world and its intricacies. Hence, while these managers/directors may be strong on the hard skills such as management, finance, and marketing, they are often weak on the soft skills (such as understanding of the spa modalities) and people skills needed to manage the therapists (and other staff) and clients in the spa.

Two Pathways for Hiring Spa Managers/Directors: <i>Pros and Cons</i>		
	Promotion Within the Spa	Hiring Outside the Spa
PROS	<ul style="list-style-type: none"> • Have strong “soft skills” and “people skills” • Have front-line and firsthand understanding of spa, spa modalities, and guest interactions • Have demonstrated passion for spa • Already know their spa’s unique culture and operational style 	<ul style="list-style-type: none"> • Have strong “hard skills” in technical business/management fields • Have had management experience and/or training • Know how to run a business • Can bring useful and fresh outside experiences and ideas to the job
CONS	<ul style="list-style-type: none"> • Are weak on “hard skills” in technical business management fields • Usually have not had any business or management-related training • May not have any management experience • May lack an innate inclination toward management and “left-brain” thinking 	<ul style="list-style-type: none"> • Are weak on “soft skills” and “people skills” • Usually do not have any experience or training in spa modalities • Often have not worked in a front-line spa position so lack empathy for these jobs • May lack an innate inclination toward the holistic “right-brain” thinking that permeates the spa world

1. Essential background qualifications and experiences for spa managers/directors

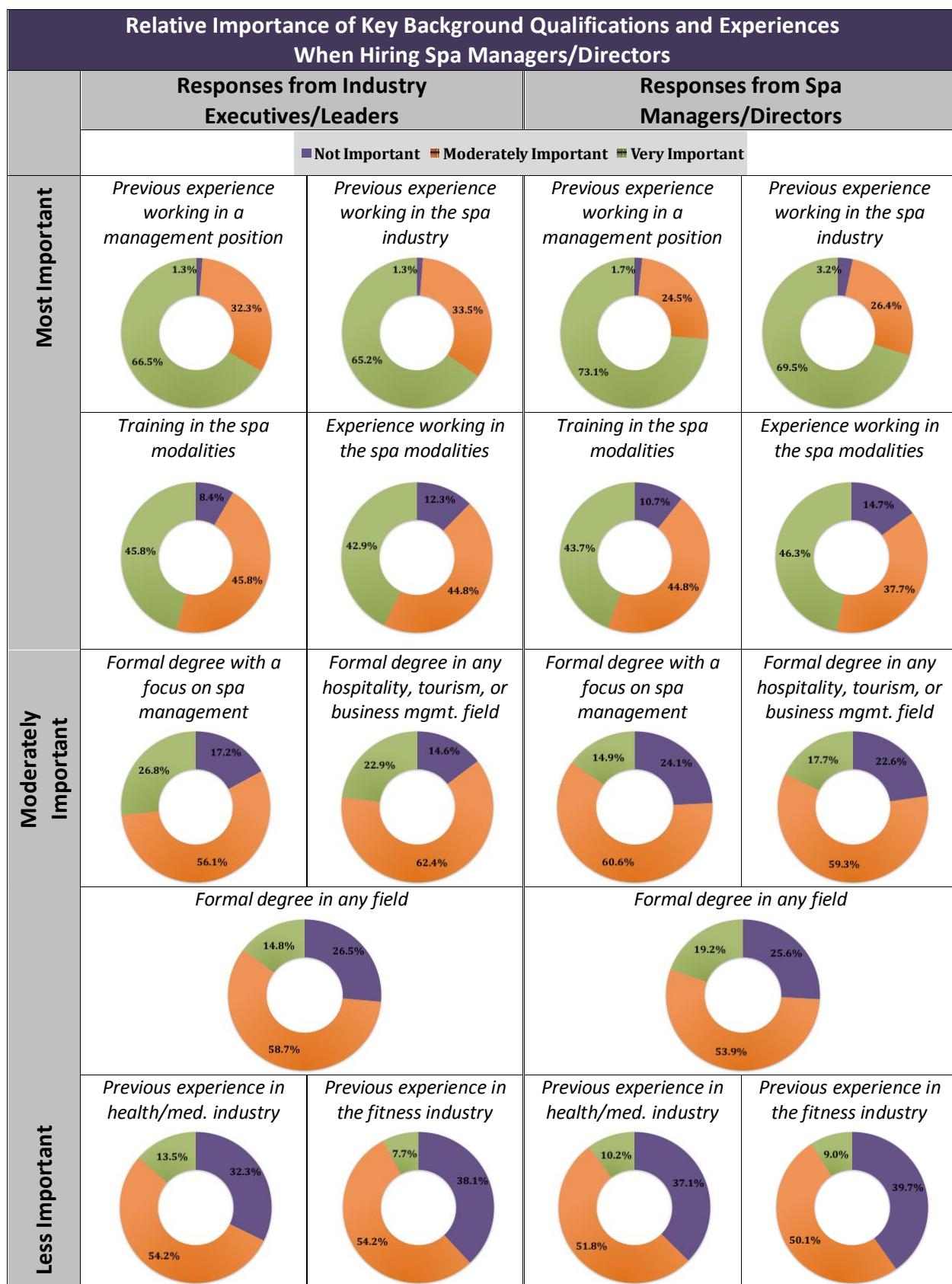
The strengths and weaknesses of the two pathways into spa management, as summarized above, lead to a fundamental question about what are the most essential qualifications and experiences for someone entering a spa manager/director position. How important are educational credentials? How important is experience in the spa modalities? How important is management experience or training? Most industry leaders and executives have widely divergent views on these questions – and in many cases, the required experiences/qualifications for spa managers/directors will depend on the size and nature of each individual spa company and its hiring/staff development approaches. Spas that have well-developed internal staff training programs may hire first based on attitude and personality, knowing that they can train and groom a person in key technical skills as needed. Other spas may specifically seek out managers that already have the “whole package” of necessary skills and are ready to jump into the position from day one with little guidance or support.

- ***Experience working in management and in the spa industry rate as the most important background qualifications when hiring spa managers/directors.***
- ***This is followed in importance by training or experience in the spa modalities.***
- ***Formal educational credentials are considered to be only “moderately important.”***

In the two surveys conducted for this study, both industry executives/leaders and spa managers/directors themselves were asked about the importance of various background qualifications and experiences when someone is being hired for a spa management position. As shown in the charts below, both survey groups strongly emphasized experience working in management and in the spa industry as the most important job qualifications for spa managers/directors. This was followed in importance by training or experience in the spa modalities (with around 40% of respondents rating these qualifications as “very important” and about an equal share rating them as “moderately important”). Formal educational credentials were rated as only “moderately important” by the majority of respondents in both surveys, whether those credentials are in spa management, in hospitality/tourism/business management, or in another unrelated field. Previous experience in the health/medical or fitness industries rated at the bottom of the list, with about half of respondents rating these as “moderately important” and about one-third rating them as “not important.”

The lack of emphasis on formal educational credentials is an interesting phenomenon that will be explored further in *Section IV* of this report. There are a number of possible reasons for this, including the generally small number of spa management-specific educational programs that are available right now, as well as the fact that existing educational programs tend to be a bit disconnected from industry needs and are perceived by many in the spa industry as doing a weak job preparing their students for the workplace. Interestingly, a close comparison of the survey results from the two groups reveals that current spa managers/directors place even less importance on a spa management educational credential as a qualification (as compared to other types of degrees) than do the industry leaders/executives surveyed. It should also be noted here that only 4% of the spa managers/directors in the survey population indicated that they actually hold a degree in spa management, while 58% hold a formal educational degree/credential in a non-spa-related field. As an interesting comparison, 56% of the surveyed spa managers/directors have received formal training in a spa modality.

Anecdotal evidence indicates that chain-based spa companies tend to place a greater emphasis on educational credentials than independent/standalone operations, and also that educational credentials are more heavily emphasized when hiring a manager/director externally than when promoting from within. Many industry leaders have suggested that when all other factors are equal, they would certainly prefer to hire a manager/director with a relevant college degree; however, the general lack of availability of relevant degree programs means that they often cannot be picky about educational credentials when hiring managers/directors.



2. Moving upward – what comes next after a spa manager/director position?

Opportunities for spa managers/directors to move upward into their next position or stage in their career are closely linked to the type of spa or segment of the industry the person is working in. A range of options may be available for upward mobility, some of which are more common and some of which are relatively rare. Because upward career pathways in spa management are not linear and well-defined, many in the industry believe that this can cause challenges for attracting younger students and workers to consider spa management as a desirable career path.

- ***Moving to a bigger and higher-profile spa:*** Spa managers/directors who are highly competent and successful in their positions often find opportunities to move upwards by taking a position in a larger spa (i.e., with more treatment rooms and more revenues) and/or a higher-profile spa. Anecdotally, many industry executives interviewed for this study indicated that they fear their best managers/directors being “poached” by other spa companies offering higher salaries, especially for employees who have received high levels of training and credentials in their current jobs.
- ***Moving into higher positions within the company (e.g., group/regional spa director):*** Spa managers/directors working in chain-based spas may have more well-defined upward career paths by moving laterally to management positions in larger spas within the same company. They then may have opportunities to move into group or regional spa director roles, to assist with the company’s launch of new spa locations, or to move into higher-level vice president and executive positions. However, these higher-level positions are not abundant, so a limited number of managers/directors will actually have opportunities to move into these kinds of roles. Moving from a single-facility to a multi-facility management role can present its own challenges, because a vastly different skill set is required to manage multiple spa locations simultaneously (such as understanding economies of scale, distributing staff and resources across properties, clustering properties, strategically planning for multi-location growth, and so on). Additionally, these higher-level management positions typically require more travel and longer hours, which can be challenging for people with families. Some industry leaders claim that there are more men in executive-level positions in the spa industry than women, precisely for this reason – although there has been no hard data available to validate this claim in the past.
- ***Moving into management positions in the hotel/hospitality world:*** It is possible, but not common, for spa managers/directors to move upward within a hotel/resort chain by moving into higher-level, non-spa management positions in the hotel/resort. Most spa industry leaders claim that this kind of mobility from a spa into the hotel/hospitality world is very

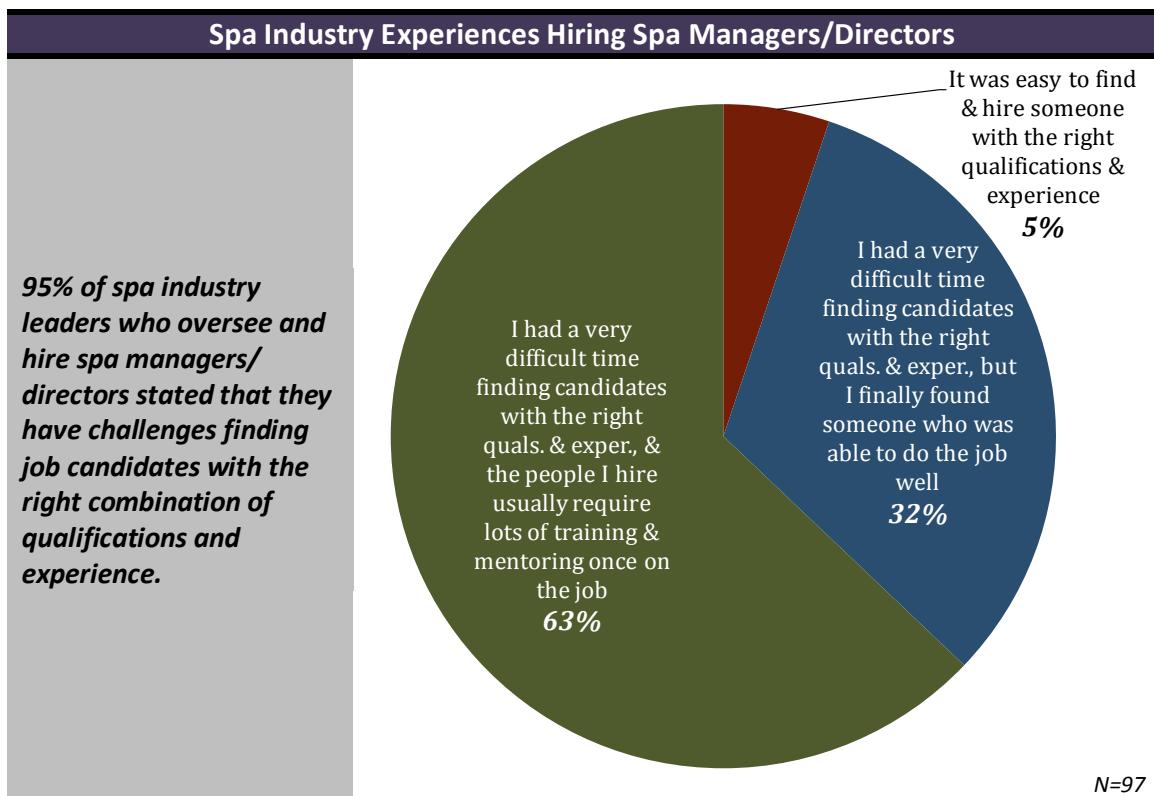
rare, and that most “spa people” tend to stay within the spa world.¹⁸ Industry leaders attribute this to a perceived “lower profile” and “lower value” that spas continue to have within the larger hospitality sector. They believe that because hotel General Managers tend to view spas as a marginal and less important component of the hotel/resort, the spa managers/directors may be “pigeon-holed” in the spa, and their skills may not be valued as transferrable into other segments of the hotel/resort. When spa managers/directors do move into other positions within the hotel/resort, they may even be “downgraded” into lower-level management jobs.

- ***Moving into consulting or spa ownership:*** Some spa managers/directors may eventually seek to become their own boss and go into business for themselves, either by becoming a spa consultant or by opening and operating their own spa. These ventures come with their own set of challenges, as being successful as an entrepreneur requires a huge skills set as well as substantial financial resources – and, in general, a huge number of small, start-up businesses will fail. Those seeking to move into consulting need to be sure that they have significant experience and value-add to bring to this job, as there are already so many spa consultants in the marketplace (and some industry leaders claim there is a glut of consultants).
- ***Staying put and growing from within:*** Some spa managers/directors may not seek to move upwards into other positions, and may instead advance their careers by growing the spa they are already working in. This pathway is likely to be particularly common for independent/day spa managers/owners, who are already owners of their own business and cannot easily leave the business behind to move onto another opportunity. Anecdotal evidence indicates that employee turnover is lower for management-level positions in the spa industry than for lower-level and therapist positions, so it is possible that a significant share of spa managers/directors are simply staying put in their jobs.
- ***Leaving the spa industry:*** A portion of spa managers/directors may eventually leave the spa industry altogether – either for a lack of other opportunities in the spa world or to pursue a better-paying opportunity in another industry sector. Many industry leaders believe that there is a substantial loss of managers/directors out of the industry, but there are no data available to document this trend.

¹⁸ There is no data to document the extent to which this kind of mobility from spa to hospitality actually does or does not happen, but the research team who conducted industry interviews for this study heard of only 2-3 examples of spa managers/directors who successfully moved upwards into hotel General Manager positions.

D. Hiring challenges and skills gaps among spa managers/directors

The industry leaders surveyed and interviewed for this study expressed concerns about a wide range of challenges and skills gaps they face in hiring spa managers/directors. In fact, among the surveyed industry leaders who are currently working in a capacity in which they hire/oversee/supervise spa managers/directors, 95% stated that they have difficulties finding job candidates with the right qualifications and experience. Among that group, two-thirds also stated that the people they hire as spa managers/directors usually require a lot of additional training, coaching and mentoring once on the job.



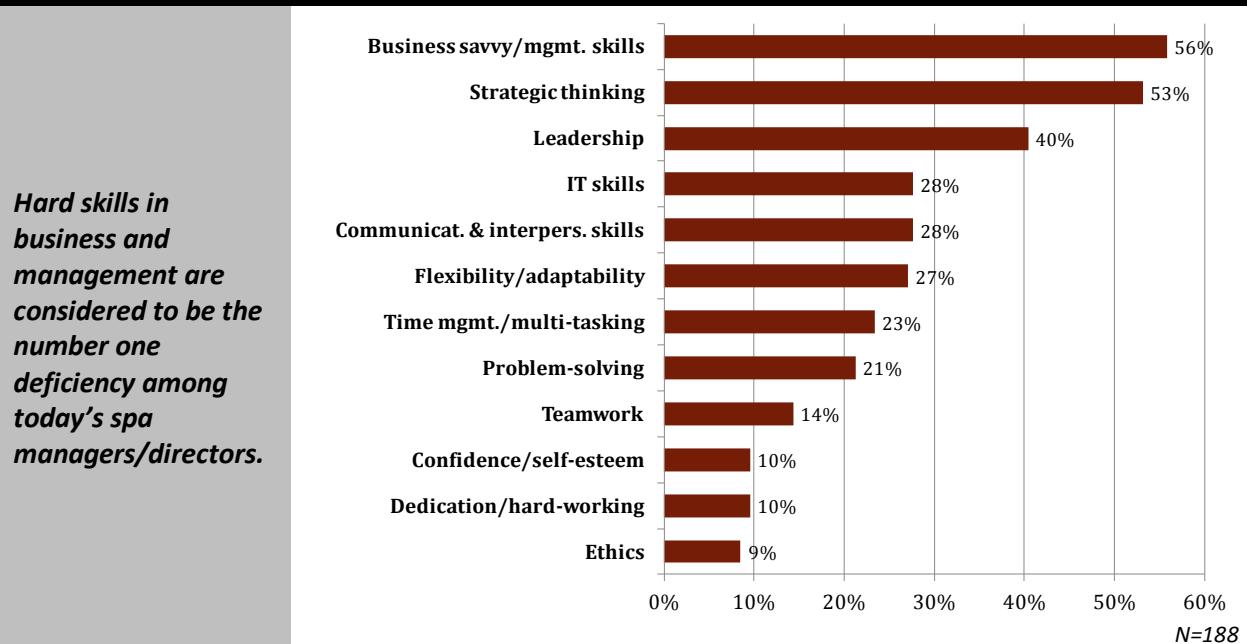
1. Key spa management skills gaps identified by spa industry leaders

The industry leaders/executives surveyed for this study were asked to identify the top five characteristics, skills, and qualities that are most weak or deficient among today's spa managers/directors (especially new hires). Their answers re-emphasize the assertion that hard skills or technical skills in business and management are considered to be the area of greatest weakness among spa management personnel, and "Strategic thinking" is a close second in terms of skills gaps, followed by "Leadership." A second tier of skills gaps includes "IT skills," "Communications & interpersonal skills," and "Flexibility/adaptability." These top-ranked deficiencies among spa managers/directors reflect a mix of skills that would typically need to be learned through formal educational training (e.g., business savvy/management, IT skills) and qualities that would more typically be gained through on-the-job-experience (e.g., flexibility/adaptability, leadership).

The top 6 skills deficiencies among spa managers/directors are:

1. **Business savvy/management skills**
2. **Strategic thinking**
3. **Leadership**
4. **IT skills**
5. **Communications & interpersonal skills**
6. **Flexibility/adaptability**

Industry Leaders: In which characteristics, skills and qualities are today's spa managers/directors (especially recent hires) most weak or deficient (choose your top five)?

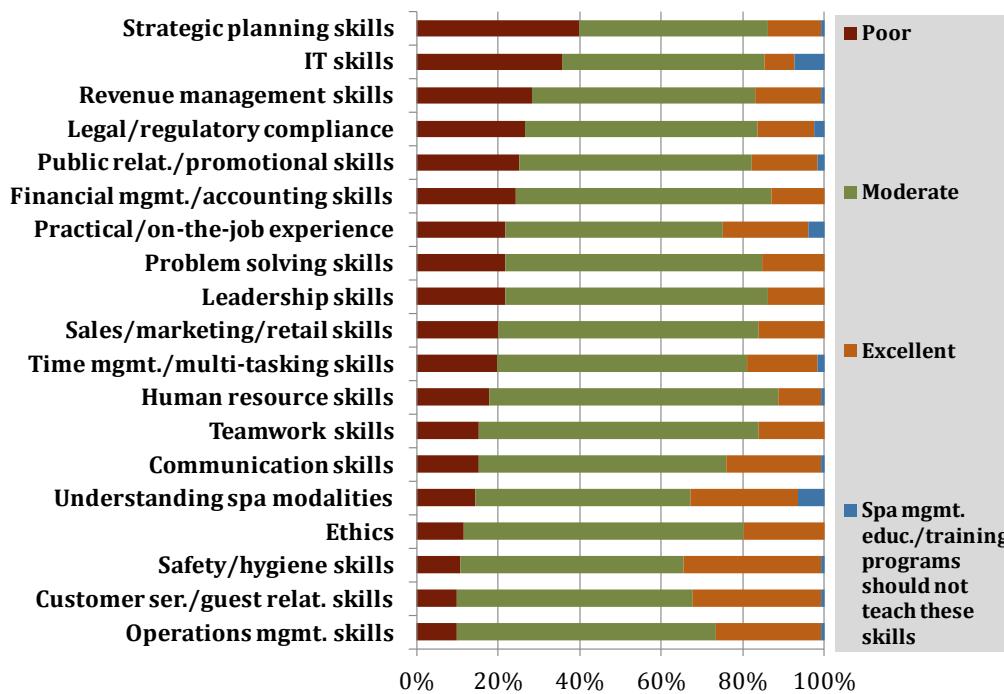


Looking more specifically at technical skills that would typically be taught in an education or training program, spa industry leaders/executives were also asked in what fields existing spa management education/training programs are doing a good or bad job of preparing future spa management personnel. As shown in the chart below, in most fields the industry believes schools and training programs are doing a “moderate” job. The top six identified areas of weakness in existing educational/training programs (with approximately one-quarter or more of the respondents selecting “Poor” as an answer) are listed in the box to the right. [Note: Because spa industry leaders have such little familiarity with spa management-related education/training programs (as discussed in Section IV.A.) this survey question is better interpreted as an assessment of perceived weaknesses in spa manager/director skills in general, rather than a more specific assessment of weaknesses in educational curricula.]

The top 6 weaknesses in education and training for spa managers/directors are:

1. **Strategic planning skills**
2. **IT skills**
3. **Revenue management skills**
4. **Legal/regulatory compliance skills**
5. **Public relat./promotional skills**
6. **Financial mgmt./accounting skills**

Industry Leaders: How good of a job do you think spa management education/training programs are doing preparing their students in the following areas?



E. Looking to the future: What spa management hiring and skills challenges are on the horizon?

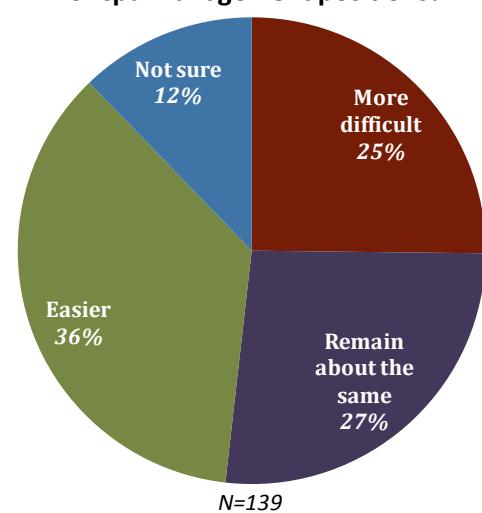
Industry leaders have mixed views on whether the current challenges they face in hiring spa management personnel will continue into the future. When asked about their predictions for the next decade, just over half of the industry leaders/executives surveyed believe that the situation will stay the same (27%) or worsen (25%), while just over one-third believe that the situation will improve (36%).

- Respondents who believe the situation is improving largely base this belief on the fact that the spa industry is maturing in some parts of the world and also continuing to grow; they believe that with this growth more relevant spa management training programs will open, more spa companies will focus on addressing staff training and skills problems, and more qualified candidates will become aware of and interested in spa management careers.
- Conversely, those who believe the problems will worsen generally think that the sheer growth of the spa industry into the future – especially in places like Asia – will simply continue to outstrip the pipeline of trained and qualified workers (especially given demographic shifts and an aging population).

Regardless of whether the ease of hiring spa managers/directors worsens or improves, workforce and human resource issues at the management levels will continue to be a very important issue for the success of spa businesses into the future. As our economy and society change, the key skills and abilities required by those working in spa management positions are also likely to change. When asked in open-ended questions about how the skills needed to be a good spa manager/director will change over the next decade, industry leaders highlighted the following areas:

- **Technology skills:** Technological skills are expected to become more important for spa managers/directors for both marketing purposes (e.g., as social media becomes an increasingly important mechanism to drive revenue) and for general management purposes (e.g., as financial, management, and record-keeping practices become increasingly IT-based).

Over the next 10 years, will become easier or more difficult to hire people for spa management positions?



- **Health/wellness/regulatory awareness:** Many industry leaders expect that spa managers/directors will need increasing awareness of and skills in health and wellness issues, as well as in complementary/alternative medicine, as the spa industry increasingly moves towards integration with these fields. Along with this shift will come a need for managers to be more aware of regulatory and safety requirements that are linked with the health/medical sector.
- **Languages and cultural awareness:** Since so much of the spa industry's future growth is projected to occur in Asia, the Middle East, and other regions outside of North America and Europe, spa managers/directors are likely to need more foreign language skills as well as increased cultural awareness and the flexibility to work in varied cultural/social environments.
- **Environmental awareness:** Spa managers/directors of the future will likely need an increased awareness of and commitment to sustainable and "green" practices (such as the use of natural products in the spa, awareness of sustainable practices as they relate to facility design/operations, and so on) as the environment becomes a growing area of concern for society.
- **Management and finance:** Many industry leaders believe that as the spa industry matures, becomes more business savvy, and develops better financial and performance metrics, the essential management, leadership, strategic planning, and financial management skills that are already critical for spa managers/directors will become even more critical success factors into the future.
- **Marketing and guest relations:** Some industry leaders have suggested that as spa guests (and consumers in general) become increasingly savvy and demanding, spa managers/directors will have to raise their skills in interacting with customers, delivering excellent and customized/tailored spa experiences, and using increasingly creative and sophisticated tools to market to potential customers.

IV. The Spa Management Workforce System: Educational Programs and Training Providers

Key Findings

1. There are two categories of education/training available for the spa management workforce: formal degree programs (*training students prior to entering the workforce*) and continuing education programs (*offering workshops and credentials for people already in the workforce*).
2. There are approximately 64 spa management-related degree programs available in universities, colleges, and schools around the world. Most of these programs are very new and very small, and have very little recognition among the spa industry. Their graduates represent only a tiny fraction of the industry's hiring needs for spa managers/directors.
3. Good spa management-related degree programs should have the following characteristics: industry advisory boards that meet regularly; deep and frequent interactions with the spa industry; teaching faculty with real-life industry experience; practical/hands-on work experience as a significant component of the curriculum; and a well-rounded focus on both business skills and spa "philosophy."
4. There are at least 41 providers of spa management continuing education globally. Most are private companies (offering short courses, workshops), but some are schools/universities offering longer professional certificate programs.
5. Industry-developed credentialing and certification for managers is a very new concept in the spa industry (the only provider is ISPA/AHLEI, and this program does not yet have widespread industry recognition or adoption).
6. Continuing education providers are continuing to launch and adapt their programs, as there is no consensus on what training model is most effective. It is challenging to balance the need for significant training to address skills gaps with the limited time and resources of spa managers/directors for professional development.
7. There is a scarcity of good books, textbooks, manuals, and educational/reference materials available for teaching spa management-related training and courses. The books that do exist – particularly those developed by industry organizations such as ISPA – do not yet have widespread recognition or use in the industry.

Education and training typically fit into a person's career pathway in two ways.

- First, many people will receive an ***educational credential or degree prior to entering the workforce***, usually at a college, university, technical school, or other higher education institution. Ideally this degree would be in a field related to the career the person is seeking to enter, although this is not always the case. This education would typically be paid for by the employee. Occasionally, this kind of education might also be pursued by a person who is mid-career – i.e., already working in a job, but seeking to earn a degree in order to change careers entirely or to advance into a new position. This approach is more rare, due to the financial challenges of leaving the workforce entirely to go back to school, and/or the time challenges of pursuing a degree while still working full-/part-time.
- Second, many workers will receive some kind of ***continuing education or on-the-job training once they are already working a job***. This training may take place when first starting out in a job, as part of a job promotion, or as part of an ongoing/periodic effort by businesses to advance their employees' skills or career. This training may be provided directly by an employer, or may be provided by an outside training provider (e.g., a private training company, or possibly a school-based continuing education program, or an industry association). It may result in the participant earning some kind of certification, but would not typically earn the participant an actual degree. It may be paid for by the employer, or it may be paid for by the employee his/herself. While this kind of training works best when it is coordinated or sponsored by an employer, occasionally workers themselves will seek out their own continuing education when they experience a gap in knowledge/skills and are not receiving in-house training, or when they are seeking to advance their skills to move up in their career path.

When thinking about what kind of education and training are needed by persons working in spa management positions, it is important to keep this distinction in mind. Both kinds of education/training are important, and both should play a role in developing a skilled and well-prepared spa management workforce. When one of the two educational components is missing in a person's career pathway, the other component becomes all the more vital (e.g., if a person does not have a relevant educational degree prior to entering a job, continuing education and on-the-job training become vitally important for the person to have the necessary skills and knowledge – and vice versa).

This section of the report will provide an in-depth look at both educational components and the important role they can and should play in spa managers/directors' careers, the gaps and weaknesses in what is currently being provided by both educational components, and the ways in which these educational pathways can best be aligned with the needs of the spa industry for its current and future spa management workforce.

A. School-based educational programs (offering degrees for students, usually prior to entering the workforce)

A key component of the research conducted for this study was an extensive inventory of all of the university, college, and school-based programs globally that are offering degrees either directly or marginally related to spa management.¹⁹ From this and other research work, three very important conclusions stand out about current status of spa management-related degree programs:

- There are very few schools around the world offering spa management-related degree programs (especially relative to the size of the spa industry and the spa management workforce), and the programs that do exist are both relatively new and relatively small.
- Spa industry stakeholders generally have very little awareness of the spa management-related degree programs that do exist (so although the overall number of programs is fairly low, it is likely larger than what most industry members think it is). This is likely closely related to the newness and smallness of these programs.
- There is not enough interaction and partnering between the spa industry and the schools offering spa management-related degree programs. These kinds of linkages are critical to ensure that the curriculum of these programs is relevant to industry needs.

1. *Profile of spa management-related degree programs*

There are an estimated 64 universities, colleges, and schools around the world that currently offer degrees in or related to spa management.²⁰ As shown in the table on the following page, over three-quarters of these schools are located in North America and Europe, with only a small handful in other regions of the world. In fact, 41% of the schools are located in just two countries – the United States and the United Kingdom. The majority of schools offer Bachelor's-level (3-4 year) or Foundation/Associate's-level (2-year) degrees. Just under half of the schools offer "pure" spa management programs (we include in this category not only programs entirely focused on spa management, but also programs focusing on "Resort and Spa Management" or "Salon and Spa Management"). The research team identified only 10 schools offering a hotel/hospitality/tourism/resort/business management (or similar) degree that have a

¹⁹ The SRI team acknowledges the research work conducted by student intern Charlett Kohlwes in preparing this inventory. A student of Tourism & Recreation Management with a major in Spa Management at Saxion University in the Netherlands, Ms. Kohlwes conducted independent research to prepare the inventory, with close interaction with the SRI research team. Ms. Kohlwes personally gathered detailed information about more than 100 spa management-related educational programs and continuing education/training providers worldwide, and her work served as the basis for much of the information presented in this section. Ms. Kohlwes extensive research work was supplemented by an online survey and telephone interviews with educational programs, conducted by the SRI team.

²⁰ A list of the 64 schools and their spa management-related degree programs is provided in *Appendix A*.

formalized concentration in spa management (usually 4-6 courses are required for a concentration), while a slightly larger number of schools offer these degrees with just 1-3 spa-related optional course electives available (but not a formalized concentration). We identified 16 schools that offer a spa/beauty therapy or esthetics degree combined with business/management training. Tuition and fees across all of these programs vary dramatically, from just US\$1,000 per year for a 2-year associate's degree program, to nearly US\$100,000 for a 1-year master's degree program.

Summary of Spa Management-Related Degree Programs Worldwide									
	# of Schools	Number of Programs by Type of Degree Offered					Type of Program		
		Master's	Bachelor's (or equiv. 3-4 yr degree)	Foundation or Associate's (or equiv. 2-yr degree)	Certificate or Diploma (1-year or less)	Pure Spa Management	Hospitality/Hotel/Tourism/Resort/Business Management		With Spa Electives
							With Formal Spa Management Concentration		
Asia-Pacific	14	2	6	1	5	4	1	6	4
Europe	24	5	9	14	2	14	2	2	5
Latin America	1	0	0	1	0	0	0	1	0
North America	25	1	7	15	9	9	7	3	7
World	64	8	22	31	16	27	10	12	16

Note: The number of degrees/programs does not add up to the number of schools because some schools offer more than one program or degree. This information is deemed as accurate as possible by the SRI research team, but we cannot guarantee that the numbers are exhaustive – there may be other schools/programs in existence that were not identified and counted in our research. A list of the schools/programs counted in this table is provided in *Appendix A*.

Age of the Programs. All of the spa management-related degree programs at these schools are typically quite new. While the SRI research team has information about the program founding date for only about one-third of the schools, nearly all of these were started just within the last 5-6 years. We know of only a small handful of programs that have been in existence for ten or more years, including the programs at Cornell University (United States), University of Derby (United Kingdom), and FH Joanneum (Austria).

The majority of these programs were launched in response to the dramatic growth of the spa industry over the last couple of decades; typically, someone at the university recognized the spa industry's growth and the gap in spa management educational offerings, and then decided to develop a new program to fill this niche. Because new program development at universities and

colleges is typically slow (due to processes and procedures related to gaining approvals, identifying funding, developing curriculum, hiring faculty, and so on), most programs take a few years to develop – so there is generally a time gap between the identification of needs and decision to start a program, and the actual launch of a new spa management-related program.

In addition to the 64 schools identified above, the SRI research team also identified at least 5-10 schools that launched a spa management-related degree program during the last decade and have subsequently shut down or modified their programs. These include programs at: Ecole Hôtelière de Lausanne (Switzerland)²¹, Elmcrest College (Canada), Seneca College of Applied Arts & Technology (Canada), Hocking College (United States), Arizona State University (United States), Lynne University (United States), and University of Gloucestershire (United Kingdom).²² While we have only a few anecdotal details about why these programs have ended, the apparent reasons for closure are generally related to an inability to recruit enough students to financially sustain the program – which may be related to tuition fees being too high, inadequate marketing of the program, or a fundamental flaw in the program design (making the program unattractive or ineffective for students).

Size of the Programs. The majority of the spa management-related degree programs are very small in size. While the research team has information about student enrollment for only about one-third of the schools, it appears that most schools have an enrollment of around 10-40 students across all class years in their spa management-related programs. While the larger hotel/hospitality management schools (such as Cornell University) may have very large student enrollments overall, only a small fraction of these students would actually be concentrating in spa management. There are a small handful of schools (mostly in the United Kingdom and Europe) that have significantly larger enrollments in their spa management-focused programs – for example, Athlone University (Ireland), University College Birmingham (United Kingdom), University of Derby (Buxton), and FH Joanneum (Austria), each of which have total enrollments in the range of 80-120 students.

The 21 schools for which the research team has enrollment data represent a total enrollment of approximately 1,300 students in spa management-related programs (this is a generous estimate). If we assume that these schools are a representative sample of all spa management-related degree

There are approximately 4,000 students worldwide currently enrolled in spa management-related degree programs. There are an estimated 130,000-180,000 spa managers/directors currently working in spa businesses around the world, and this figure is continuing to grow. Clearly the number and size of spa management-related degree programs is not meeting the spa industry's hiring needs for well-trained management personnel.

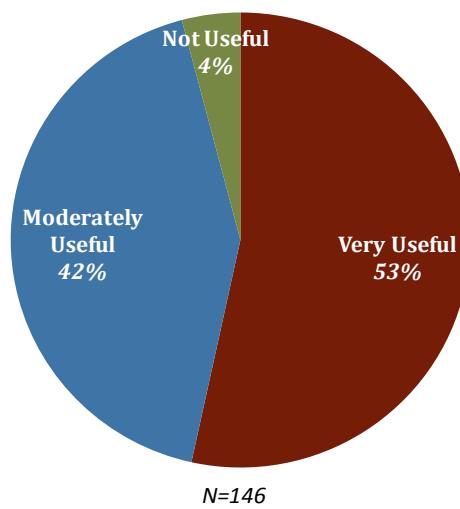
²¹ At Lausanne, the 1-year full-time spa management certification program has been suspended and modified into an executive education and professional certification program consisting of four short 3-day modules. SRI has therefore classified this program under “continuing education” (Section IV.B.) rather than as a spa management-related degree program.

²² The research team cannot guarantee the accuracy of this information, as it was all obtained anecdotally through interviews with spa industry members and representatives of other spa management-related educational programs.

programs, then total global enrollment in these programs would be an estimated 4,000 students worldwide (and the total number of graduates each year would likely be one-half to one-third of that number, since this represents enrollment across multiple class years). By comparison SRI estimates that there are approximately 130,000-180,000 persons currently working in management-level positions within the global spa industry.²³ Based on the survey of spa industry leaders conducted for this study, 86% of spa businesses estimate that their hiring needs for spa managers/directors will increase over the next ten years, and demand for spa manager/directors will continue to grow as the spa industry grows and new spas open. If we assume that the number of spas worldwide grows by just 2% per year, the industry would require approximately 3,000-4,000 new spa managers/directors annually, just to fill positions in new spas – not even counting replacements needed due to retirements, attrition, and typical employee turnover among managers/directors.

Although most spa management-related degree programs indicate that their enrollments are growing fairly rapidly, clearly the number of annual graduates from existing spa management-related degree programs is nowhere near meeting the worldwide hiring needs of spa businesses for well-trained managers/directors. One cannot entirely blame the spa management talent gap on the small number of graduates from these programs – there are a number of other factors at play, as discussed in previous sections of this report, including societal/demographic factors, and also the fact that many spa businesses prefer to hire managers/directors by promoting internally rather than directly from degree programs. However, clearly the spa industry would be better able to meet its management-level hiring needs if there were more spa management-related degree programs around the world, and if these programs were graduating a larger number of students each year. As shown in the chart to the right, the majority of spa industry leaders/executives feel it would be beneficial for their businesses if more people received degrees with a spa management focus.

How useful would it be for spa businesses if more people working in spa manager/director positions received a formal educational degree/credential with a focus on spa management?



²³ These estimates were calculated by SRI based on data presented in the *Global Spa Economy 2007* report. A range is given to capture a variety of possible scenarios in terms of the number of managers/directors per spa and industry growth rates from 2007 to 2012.

2. Three types of spa management-related degree programs

There are generally three different types of programs that allow students to earn a degree in or related to spa management; each type of program plays a different role in educating future spa management workers and has its own pros and cons.

Three Types of Spa Management-Related Degree Programs: <i>Pros and Cons</i>			
	Pure Spa Management Programs	Hospitality/Hotel/Tourism/ Resort Management Programs with a Spa Concentration or Electives	Spa Therapy Programs Combined with a Spa Management Component
PROS	<ul style="list-style-type: none"> Most tailored and relevant curriculum to spa management Provide well-rounded education in management skills as well as understanding of spa lifestyle and modalities 	<ul style="list-style-type: none"> Strong and rigorous curriculum in technical management skills Graduates are prepared to work in a range of sectors (not “pigeonholed” in spa industry) Graduates may have better upward career mobility in hospitality sector 	<ul style="list-style-type: none"> Spa therapists who may be potential future spa mgrs./dirs. build a foundation of technical skills in business/ management Spa therapists with this background are not starting from scratch when they enter management jobs Spa therapists who enter mgmt. positions generally have strong “soft skills” and “people skills” and a deep understanding of spa
CONS	<ul style="list-style-type: none"> Graduates may have limited practical work experience in spa industry Graduates may have no work experience in spa therapy Graduates may be “pigeonholed” in spa industry jobs 	<ul style="list-style-type: none"> Spa-specific curriculum may be limited to 1-2 courses Graduates may have little or no work experience in spa Graduates may have no understanding of spa lifestyle or spa therapy Graduates may lack “soft skills” and “people skills” Graduates may have unrealistic expectations about the level of mgmt. job (and their salary) when entering their first job High-tuition programs make it difficult for graduates to take lower-paying positions 	<ul style="list-style-type: none"> The technical skills taught in these programs are not sufficient to equip a spa therapist for a management-level job, so continuing education and on-the-job training are still essential

- **Pure Spa Management:** The pure spa management programs offer a curriculum that is entirely focused on preparing students to enter a career in spa management. Many spa industry members see these kinds of programs as the most ideal preparation for spa managers/directors (if the program is designed and run well) because they provide the most targeted and relevant curriculum. The research team identified 27

universities/colleges/schools worldwide that offer these kinds of degrees, primarily located in Europe (14 schools) and North America (9 schools).²⁴ The programs are distributed across all degree levels: Master's (6 schools), Bachelor's (6 schools), Foundation/Associate's (16 schools), and Certificate/Diploma (9 schools). Since most of these programs are both relatively new and relatively small, a proportionately small share of spa managers/directors worldwide are likely to hold such degrees. In SRI's global survey of spa managers/directors, less than 4% of the respondents indicated that they hold a formal degree in spa management (at the associate's/foundation, bachelor's, or master's level). A pure spa management curriculum often includes a focus on both management- and business-related topics (such as financial management, accounting, operations management, facility management, human resources, strategic planning, marketing, promotion, retail sales, customer relations, communications, safety and sanitation, etc.), as well as on spa- and wellness-related topics (such as an overview of the spa industry; philosophy of spa and wellness; spa treatments, therapies, and products; wellness and lifestyle management; nutrition and spa cuisine; and spa tourism).

A drawback of these programs is that students who have been through school to earn a degree, but who have not yet entered the workforce and gained significant work experience, often do not yet have the practical experience and "life skills" necessary to be a good spa manager/director. Ideally, any spa management degree program should include a significant practical work experience component (such as one or more long internships or other work practicums), but these experiences may not be enough for a new graduate to jump right into a spa manager/director position with a high level of responsibility. Therefore, unless a student already has prior work experience before earning this kind of degree (which would be relatively rare), both the students and the employers need to be realistic about what kind of job a recent spa management graduate should start out in and what a reasonable starting salary would be. A lower-level assistant spa manager position would likely be the best option for these graduates, with the opportunity for the person to move up quickly as he/she gains on-the-job experience and practical skills.

- **Hospitality/Hotel/Tourism/Resort/Business Management with a Spa Concentration or Electives:** A small number of schools that offer degrees in hospitality/hotel/tourism/resort management and/or business management have launched a spa management track or concentration, or offer spa management electives, as part of their broader degree programs. Approximately 22 schools worldwide follow this model, primarily in North America (10 schools) and Asia-Pacific (7 schools), and the majority are Bachelor's-level degrees. The extent of the spa-specific curriculum in these programs varies widely, ranging from just 1-2 elective courses on spa (at 12 schools; e.g., Cornell University, Hong Kong Polytechnic, Saxion University) to a more formalized and extensive spa management concentration or area of emphasis (at 10 schools; e.g., University of Houston, Florida Gulf

²⁴ Note: These figures include programs that combine "Resort & Spa Management" and "Salon & Spa Management" or similar, in addition to exclusively Spa Management programs.

Coast University, AUT University). As with the pure spa management programs, the spa concentrations and electives are typically a new addition to the curricula of Hospitality/Hotel/Tourism/Resort/Business Management degree programs, and therefore proportionately few spa managers/directors in the workforce are likely to hold such credentials. In SRI's global survey of spa managers/directors, less than 5% of the respondents indicated that they hold a formal degree in hospitality/tourism/business management (or similar) with a spa management concentration.

Most programs of this nature have a broad, rigorous, and well-defined curriculum that requires students to study a range of technical subjects (e.g., finance, marketing, management, human resources, economics, etc.), as well as subjects specific to the hospitality/hotel/tourism sector (e.g., food & beverage, hotel/resort operations, tourism history/theory, safety/sanitation, etc.). The majority of these programs require students to complete one or more long internships in a hotel/hospitality business or complete some other kind of work placement that is integrated into the curriculum. At schools where the spa management curriculum is limited and informal (just 1-2 courses), students with a true interest in spa management would often have the option of informally tailoring their educational experience toward spa management by focusing their internships, work placements, and any research/thesis projects required toward the spa industry.

The strengths of these kinds of programs is that their graduates gain a very rigorous education in all the technical skills that are required to be a good manager (whether in hotel/hospitality, spa, or another sector) – arguably, graduates of these programs may be the best prepared in terms of “hard skills” and technical management knowledge. Additionally, graduates of hospitality/hotel/tourism/resort/business management programs gain a well-rounded skill set that prepares them for work across a range of possible jobs; they are not “pigeonholed” in the spa industry, but may have an opportunity to advance their careers by moving between positions in the spa and hospitality/hotel sectors. Many hotel/hospitality schools (such as Cornell University, University of Houston, and others) are well-established (have been in existence for decades), have a high reputation in the hospitality industry, and are known to produce highly-skilled graduates. For that reason, a graduate who works in a hotel/resort spa management position may have a greater opportunity to move into a higher-level management position within the hotel/resort (or to eventually become a hotel general manager), because he/she would be likely viewed as having a broader skill set.

There are also a number of drawbacks for spa managers/directors who are graduates of these kinds of programs. Most significantly, since the spa-focused curriculum within the hospitality/hotel/tourism/resort/business management programs is generally limited to a few courses, graduates have very little education in spa-specific topics. They may have little or no knowledge of or experience with the spa modalities, no in-depth understanding of the “spa lifestyle” and “spa culture,” and may lack the soft skills and people skills that are

necessary to be a good spa manager/director. Unless these students complete their internships in a spa business, they may graduate with no work experience at all in the spa industry. In this regard, the situation is similar to that of graduates from pure spa management programs – they may be best suited to starting out in assistant manager positions to gain practical experience, before advancing up the ranks quickly. However, anecdotally, spa industry leaders complain that this can also be a challenge, because graduates of high-profile and high-tuition hotel/hospitality schools often expect their first job to be a higher-level management position (with a commensurately higher salary). They may be unwilling (or unable financially) to start out in a lower-level position. Since average manager salary levels are often perceived to be lower in the spa industry than in hotel/hospitality management, this disconnect can make it challenging for the spa industry to hire graduates of these programs.

- **Spa Therapy Combined with a Spa Management Component:** A small but increasing number of schools that provide training in spa therapies are adding management and business skills to their curricula. The research team identified approximately 16 schools worldwide that offer this kind of training (primarily located in Canada and the United Kingdom, and primarily as part of a Foundation/Associate's-level or equivalent 2-year degree). The curriculum of such programs ranges from an even split between spa therapy/massage/esthetics and spa/salon/resort management courses (e.g., William Angliss Institute, University of Arts London), to a primarily spa therapy/massage/esthetics program that incorporates some short business/management modules (e.g., Bellus Academy, Ananda Spa Institute, Elégance Ecole Gontard). This is a significant development because of the huge share of spa managers/directors who start out in therapist-level positions and work their way up to management-level jobs. In SRI's global survey of spa managers/directors, 56% of the respondents indicated that they had received formal training in spa therapy, and 40% had worked previously as a spa therapist.

Most people who start out as therapists would typically have no training or experience in business/management skills and may have little innate acumen for these technical skills (as discussed in detail in *Section III.C.*). By providing spa therapists with some basic-level skills in management/business during their therapy training, an essential baseline knowledge can be provided to potential future spa managers/directors. While one cannot expect a spa therapist to gain all of the necessary technical management skills needed to be a good manager just through a few hours/days or one course of training at spa therapy school, at least the person is not “starting from scratch” and has a foundation of knowledge to build upon as he/she moves up into a management-level job. For these people, continuing education and on-the-job training would still remain an essential component of building skills as they move into management positions.

3. Profiles of selected spa management-related degree programs

To provide additional insights about the various kinds of spa management-related degree programs that are training the future spa management workforce, the SRI research team has compiled short profiles of six programs that we believe offer an interesting and representative sample of the three different types of degree programs that currently exist. While the research team refrains from making judgments about what are the “best” or “most successful” degree programs, we have selected these programs as examples because we believe they illustrate a range of successful and “best practice” elements that may be informative to the spa industry and to other spa management schools and programs (clearly there are many other great programs out there that are not being profiled here). The information for these profiles was gathered primarily through telephone interviews with program representatives, supplemented by online research.

University of Houston, Conrad N. Hilton College of Hotel and Restaurant Management (United States)

Program: Bachelor of Science in Hotel & Restaurant Management (4 years), with a formal spa management area of emphasis

Founding year of spa track: 2008

Number of students enrolled *per year* in spa track: 25

Website: <http://www.uh.edu/academics/catalog/colleges/hrm/index.php>

The Conrad N. Hilton College of Hotel and Restaurant Management at the University of Houston introduced an area of emphasis in spa management to their bachelor's degree program in hotel and restaurant management four years ago. This spa management area of emphasis is comprised of four courses, covering topics such as spa branding and development, administration and forecasting, and operations. According to Carl Boger, Associate Dean of Academics, part of the impetus for developing this new program was to emphasize retail sales, marketing, and management. These topics, he believes, are currently underemphasized by other spa education programs, even though retail sales play a major role in the profitability of spa businesses – especially relative to other types of firms in the hospitality industry.

The College has particularly strong links with the spa industry: it manages and serves as the hub for the Houston Spa Association, which meets four times per year, bringing approximately 30 spas to the campus. The College also has an advisory group comprised of spa industry representatives, and it organizes a spa conference for students and industry every 3-4 years. In addition, to ensure alignment between course curriculum and industry needs, course instructors are hired from the industry and are kept on no longer than five years, unless they continue to be involved with the industry. As a result of these strong industry ties, the College is able to easily connect its students and graduates to employment and internship opportunities in the spa industry.

Florida Gulf Coast University, School of Resort & Hospitality Management (United States)

Program: Bachelor of Science in Resort & Hotel Management (4 years), with a formal spa management concentration

Founding year of spa concentration: 2007

Total number of students enrolled in spa concentration: 25-30

Website: <http://cps.fgcu.edu/Resort/>

The School of Resort and Hospitality Management at Florida Gulf Coast University (FGCU) launched a spa management concentration within its four-year bachelor's degree program in Resort & Hospitality Management (RHM) in 2007. The RHM degree program was originally designed to fill a unique niche in hospitality management by focusing on amenities, such as spa, golf, and event management. The idea for the spa management concentration originated from RHM's advisory board, which is comprised of industry leaders. A separate Spa Management Advisory Committee, which included six spa directors, was formed to provide industry expertise and input for the spa management curriculum and laboratory facility.

Currently there are approximately 25-30 students in the spa management concentration.

The spa management concentration is comprised of five elective courses (15 credits out of 120 total required credits for the Bachelor's degree): *Spa Services and Treatments, Spa Operations and Management, Introduction to Club and Spa Management, Spa Industry Customer Experience, and Spa Client Wellness and Healthy Cuisine*. Students are also required to complete 1,500 hours of field experience/internships in the hospitality/spa industry. In addition, the school has its own day spa and claims to be the first school to develop a student-managed on-campus spa lab in North America. The spa lab facility features three treatment rooms, salon, hydrotherapy offerings, guest lounge, locker rooms, reception/retail, etc. As a result of all of this practical training and hands-on experience, the latest graduate data (2010) show very competitive job placements and salaries that rank 2nd (of 7 schools) in comparison to other hospitality programs in the State of Florida, according to Dr. Mary Wisnom, Spa Management Coordinator and Professor at FGCU.

In terms of linkages with industry, FGCU is located in Fort Myers, Florida, and with over 40 resorts and 160 private clubs nearby, the RHM program is able to draw on local industry resources for instructors, site visits, student internship placements, and to recruit for their advisory boards.

University of Derby at Buxton, School of Culture and Lifestyle (United Kingdom)

Programs: FdSc International Spa Management (2 years); BSc (Hons) International Spa Management (3 years, with option of one year work placement); MA International Spa Management (1 year)

Founding year of spa programs: 2003 (FdSc); 2002 (BSc); 2010 (MA)

Total number of students enrolled in spa programs: 30 (FdSc); 30 (BSc); 10 (MA)

Website: <http://www.derby.ac.uk/udb/culture-and-lifestyle>

The University of Derby's School of Culture and Lifestyle, located in the spa town of Buxton, UK, worked with industry ten years ago to develop a spa foundation degree program (FdSc International Spa Management) with a strong emphasis on business management, making this program one of the first of its kind. Later on the school also added a Bachelor's degree program and a Master's degree program, the BSc (Hons) International Spa Management and MA International Spa Management. The University of Derby also has a commercial day spa located on its Buxton campus, where students in the spa management program can learn to service customers and manage the business side of the operation.

The FdSc and BSc programs train students in spa therapy along with operations management and strategic planning. The foundation degree (FdSc) is a two-year full-time program, requiring 240 credits, taught in a traditional face-to-face format; the majority of students on campus have some prior experience and enroll straight out of a lower-level college program, having studied beauty therapy or spa at NVQ level 3. However, applicants can also enter the program with no prior knowledge straight from sixth-form school. There are also online formats for both the FdSc and BSc programs, which are intended for working professionals who can only take the programs part-time. Many FdSc graduates go on directly to work as therapists or in supervisory positions at spas, while about half of the FdSc graduates complete the final year in the BSc program. The BSc program, which is a three-year 360-credit full-time program, requires a dissertation, and students may also obtain a Diploma in Professional Practice by completing a year-long placement (co-op/internship) between their second and third year to gain practical experience. A small number of BSc graduates go on to get their MA in International Spa Management, which includes graduate coursework in spa operations, project management, sustainable management systems, risk management, marketing, financial planning, and strategy.

These programs have a strong emphasis on international perspectives of spa, cultural diversity, and wellness tourism, and this international focus aims to prepare graduates to work anywhere: the University of Derby trains students to have a global understanding of the spa industry and to understand regional differences in cultures and treatments. Students take courses such as *Principles of International Business, The International Spa Concept, International Spa Operations, International Spa Maintenance and Treatments, and International Spa Design and Development*.

The University of Derby is working to build strong linkages with the spa industry, both locally and globally: they invite industry representatives to be guest lecturers, to participate in the school's industry and career days, and to sit on its advisory board, which provides feedback on and formally reviews course curriculum. In 2011 the university hosted the Spa Industry Education Conference on their Buxton campus.

Republic Polytechnic, School of Hospitality (Singapore)

Program: Diploma in Wellness, Lifestyle, and Spa Management (DWLSM) (3 years)

Founding year of spa program: 2010

Number of students enrolled *per year* in spa program: 80

Website: [http://www.rp.edu.sg/School of Hospitality.aspx](http://www.rp.edu.sg/School_of_Hospitality.aspx)

The Republic Polytechnic (RP) School of Hospitality in Singapore launched the Diploma in Wellness, Lifestyle and Spa Management (DWLSM) three years ago as the first wellness and spa diploma program in Asia to respond to the demands of the growing wellness tourism industry in the region. A three-year, full-time, 120-credit program, the DWLSM has a strong emphasis on business management and uses a holistic approach, incorporating both theory and practice, to teach students about human biological systems for wellness and therapeutic case management. The DWLSM program will have their first graduates next year (in 2013) and is expecting an increase in the number of students coming both from Singapore and abroad; currently 94% of the students in the program are Singaporean. No prior industry experience is required to enroll in the program.

In the first two years, students in the DWLSM program are taught core business subjects such as hospitality management, mathematics, and marketing, and they also take more specialized courses such as anatomy and physiology, health psychology, nutrition, and wellness and lifestyle management.

In the third year, student coursework is more operational, including topics such as spa operations management, revenue management, retail management, and spa software training, as well as the basics of spa treatments and therapies. Students gain hands-on practical experience, business management and analytic skills, special knowledge in wellness therapies, and industry-based problem-solving skills through their coursework in the school's purpose built Spa Lab, as well as a compulsory 6-month industry internship in their final semester. The Spa Lab facilities, which are 1,800 square feet with a reception area with a front desk, waiting lounge, retail area, and two suites with water treatment areas, are designed to meet 5-star hotel and resort standards. In the Spa Lab at Republic Polytechnic, students engage in problem-based learning, a self-directed, experiential learning approach, where instructors first introduce a topic and then give students real-world problems related to the topic. The students role-play these scenarios in the Spa Lab, and instructors observe how the students are able to resolve the problems in a real world setting.

In terms of interactions with industry, the core group of faculty members teaching the diploma have over fifty years of combined experience in the spa industry, and collaborate regularly with industry partners to keep abreast of industry trends, to compile spa business case studies, to coordinate industry talks and spa tours for students, and to design industry-based problems for the courses.

Republic Polytechnic is also involved in spa and wellness industry activities and conducts small research projects for industry. In February the campus hosted the LOHAS (Lifestyles of Health and Sustainability) Asia Forum 2012.

William Angliss Institute (Australia)

Program: Diploma of Resort Management (Spa) (18 months)

Founding year of spa program: 2004

Number of students enrolled *per year* in spa program: 30-40

Website: <http://www.angliss.edu.au/Spa-Main>

William Angliss Institute, an Australian training provider for the foods, tourism, and hospitality industries, offers an 18-month full-time Diploma of Resort Management with a specialty in Spa. Students in this program acquire two sets of skills: business and management, and spa therapies and treatments. William Angliss Institute provides the business/management side of the training, which includes the following core training areas: hospitality (food and beverage service in training restaurants, responsible service of alcohol, workplace hygiene); management (human resources, leadership, marketing); and resort operations (rostering, safety and risk, property management, budgeting and financial operations, and business legal knowledge).

William Angliss Institute works in partnership with a specialty spa training provider, Elly Lukas Beauty Therapy College in Melbourne, where students spend almost half of their time learning about spa operations and science, as well as spa therapies and treatments, including relaxation massage, manicure, pedicure and facial services, aromatherapy, body wraps, salt scrubs, and foot soaks. Upon graduation, most students start in spa therapist roles in local businesses or hotels/resorts, and eventually move into spa management positions.

This program has one study tour in the students' second year of study. The students can opt for a national study tour in Queensland, where they apply what they have learned and observe industry operators at work, or an international study tour, which may include countries in Europe, the Middle East, and/or Asia, so that students can observe international spa operators and attend targeted industry events.

In terms of linkages with the spa industry, William Angliss Institute, which was established in 1940, has deep roots in the hospitality industry. They have been able to recruit local spa managers to participate in their advisory board. William Angliss Institute also has a partnership with the Hilton Melbourne On The Park hotel through which second-year students perform therapies and treatments on the clients of the Hilton *eforea Spa* for a reduced fee in their second semester.

Students are also now offered the opportunity to continue their studies and gain a dual Diploma in Management and Spa Therapies commencing 2013.

Bellus Academy (United States)

Programs: Best in Business and Financial Literacy programs embedded within beauty license programs

Founding year of programs: 2011

Number of students enrolled in programs: 750 students at a time are enrolled in the Best in Business and Financial Literacy programs

Website: <http://www.bellusacademy.edu/>

Bellus Academy, with three campuses in San Diego County and one campus in Manhattan, Kansas, offers multiple license programs in the beauty and wellness industry, including cosmetology, esthetics, make-up artistry, holistic health practitioner, and spa nail. While Bellus Academy's primary focus is on advanced technical training, as a complement, it has developed educational programs focused on financial literacy and business, based on feedback from its industry partners that students need to learn how to retail and manage finances. Bellus also delivers webinars through a partnership with UC Irvine Extension's Spa and Hospitality Management Certificate Program.

Bellus Academy's *Best in Business* program (<http://bellusbestinbusiness.com/>), a year-long online curriculum delivered in a traditional classroom setting, focuses on topics such as branding, marketing, retailing, goal-setting, etc. Students come into the classroom once a week to watch the lesson online along with related video interviews of spa directors, and then fill out an interactive workbook, under the supervision of a live instructor. There are six modules in total, covering areas such as: creating a personal brand; retention, re-booking, and retailing; mastering social media to grow business; personal and career development; online marketing tools; and personal goal setting and outcomes. In addition, Bellus Academy offers a *Financial Literacy* program, which covers the fundamentals of financial management, including budget and expense management, saving, and credit.

Bellus Academy has many channels by which they engage the spa industry. Bellus has a strong advisory board comprised of spa industry leaders, which provides regular guidance and feedback to shape and update the Academy's programs and curricula. Bellus recruited their Director of Spa & Wellness Education, Joanne Berry, from their advisory board. As a result, Ms. Berry brings her industry connections to Bellus Academy: she co-founded the Southern California Spa Connection, a regional spa directors network which gathers and networks approximately 150 spa directors quarterly to share best practices. Many Bellus Academy students are invited to attend these Spa Connection events, which provide them with real world exposure and networking opportunities with potential employers. Students are also providing treatments at these events, as part of a "Bellus Academy Relaxation Zone."

Bellus Academy also sponsors industry appreciation parties, where they invite spa directors and representatives from top spa product companies to come in to network with the students. These efforts have helped to bolster job placement efforts. Bellus Academy's facilities are designed to look like real spa settings, with products and equipment currently used by industry, so that the student experience is as close to the real world as possible, and so that spa directors perceive the settings as being equivalent to their own workplaces and take the students seriously. Ms. Berry reports that, as a result of all these industry engagement efforts, many spa directors say that they are willing to hire graduates straight out of Bellus because they are confident in Bellus' training, as opposed to only hiring staff who have previous industry experience.

4. Spa industry awareness of and views on spa management-related degree programs

Industry Awareness of Schools. Most spa industry leaders have little to no awareness of the spa management-related degree programs that are currently available to students. In fact, most industry stakeholders would likely be surprised that there are as many as 64 such programs in existence. In the survey of industry leaders/executives conducted for this study, only 28% of the survey respondents were able to name any kind of spa management-related educational program or

Less than 20% of spa industry leaders are able to name a university/college that provides training in spa management, and the majority of these can only name three schools (Cornell, UCI, and Lausanne). There is a critical need for the spa industry and schools to do a better job communicating and partnering with one another.

training provider, and only 18% were actually able to name a university/college/school that provides this kind of training. Among the people who were able to name a university/college/school program in spa management (both in the industry survey and in industry interviews conducted by the research team) the overwhelming majority were only able to list Cornell University, University of California Irvine, and Ecole Hôtelière de Lausanne.²⁵ Spa industry awareness of these schools appears to be very much limited to the schools/programs that have had close involvement with the Global Spa & Wellness Summit or other industry events/organizations.

This lack of awareness is likely closely linked to the relative newness and smallness of most spa management-related degree programs. Since there are very few graduates of these programs each year, only a small handful of spa businesses around the world are likely to hire or come in contact with these graduates and thus be aware of the school. Outside of that, industry members are only likely to be aware of a school if it is located very close to where they live/work (sometimes not even then!), or if they have personally been involved in the school in some capacity (e.g., as a guest speaker). There is clearly a critical need for the spa industry and schools to reach out, communicate, and partner with one another (and recommendations along these lines are provided in *Section VI* of this report).

Additionally, the newness and smallness of most spa management-related degree programs mean that spa is not generally considered a core academic field in most universities and colleges. There are very few people with spa industry experience who have earned PhDs and entered academic teaching/research careers (by virtue of the fact that there would be virtually

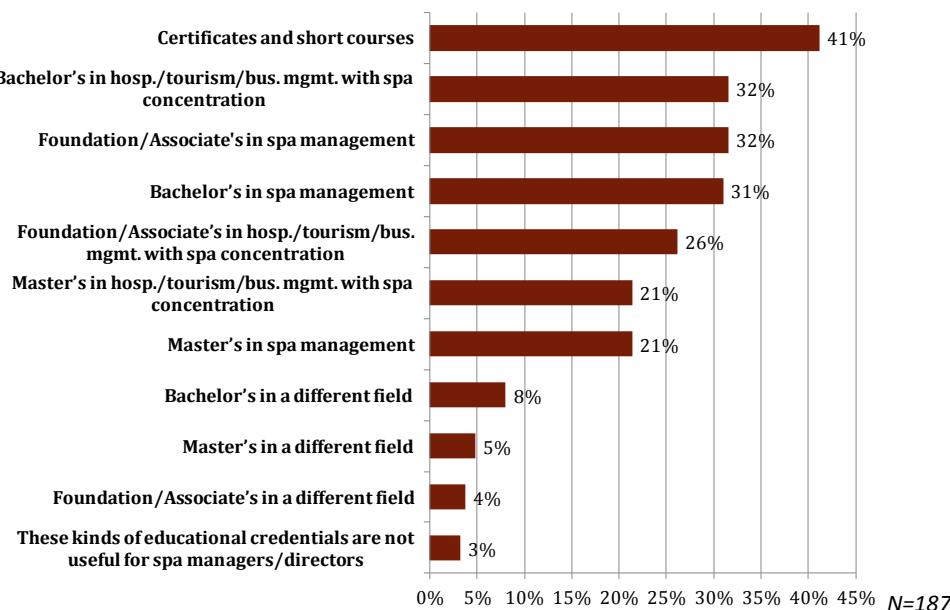
²⁵ Note: Two of these three schools (University of California Irvine and Ecole Hôtelière de Lausanne) SRI has classified as “continuing education” programs, and not as spa management-related degree programs, because they focus on providing short courses and modules for persons already in the workforce. Therefore, these schools are counted and analyzed in *Section IV.B.* and not in this section. Spa industry stakeholders, however, are not likely to make this kind of distinction across schools/programs and their target audiences. The research team hopes that this report will build increased awareness in the industry about the different typologies of spa management degree and training programs and the different markets and purposes they serve.

no academic job positions available for such people), and a large share of teaching positions in spa management-related degree programs are likely filled by adjunct faculty and guest lecturers (who can often be marginalized from the core full-time university faculty). Correspondingly, very little academic research has been conducted on the spa industry and spa management. These challenges also contribute to the overall lack of awareness and linkages between the spa industry and universities/colleges/schools that offer (or could potentially offer) spa management-related courses and degree offerings.

Industry Perception of Schools and Degree Programs. As mentioned previously in *Section III.C.*, formal educational credentials are rated as only “moderately important” by spa industry leaders when hiring new spa managers/directors – regardless of whether those credentials are in spa management, in hospitality/tourism/business management, or in another unrelated field. Among the survey respondents who work in positions in which they hire/oversee spa managers/directors, only 30% state that they would specifically recruit a candidate for a spa manager/director position who holds a formal degree/credential in spa management.

When asked how useful various types of degrees are for spa managers/directors, industry leaders tend to rate Bachelor’s degrees (usually 3-4 years) and Foundation/Associate’s degrees (usually 2 years) in either spa management or in hospitality/tourism/business management with a spa concentration as most useful. Interestingly, all types of formal degrees are rated as less useful than training provided through short courses and certificate programs. This may be closely related to the general lack of industry awareness of spa management-related degree programs, and a corresponding perception that such programs are not relevant or are not doing a good job.

Which types of spa management education/training programs do you think best suit businesses' needs for spa managers/directors?



Industry leaders/executives were also asked in the survey to assess how well spa management-related education/training programs are doing in preparing their students across a range of skills and job responsibilities. Because industry leaders have such limited awareness of schools and educational programs, these responses must be taken with a grain of salt – they are better interpreted as a general assessment of skills gaps among spa managers/directors rather than a specific assessment of the performance of specific spa management educational programs. Industry leaders cannot really be expected to make an informed assessment of the performance of spa management educational programs if the majority of them are not even able to name any of these programs. In addition, very few spa managers/directors actually hold these kinds of degrees and credentials, so most industry leaders may not have even had contact with a person who graduated from one of these educational programs. For that reason, the more detailed results for this survey question were presented in *Section III.D.* rather than here; however, the survey responses are also relevant here because they provide a list of skills gaps that should be informative to schools and educational programs in ensuring their spa management curricula is relevant to industry needs.

Both industry leaders and spa managers/directors themselves rate the following areas as the greatest education/skills gaps among today's spa management workforce:

- **Strategic planning**
- **IT skills**
- **Public relations/promotion**
- **Revenue management**
- **Legal/regulatory compliance**

In a separate survey, spa managers/directors were also asked to identify gaps and weaknesses in the formal spa management education/training programs they have attended. The responses from both survey groups are presented in the table below. Note that the top five areas of gap/weakness are the same across both groups. Interestingly, industry leaders/executives have far greater concerns about gaps in “practical/on-the-job experience,” while most spa managers/directors believed they received “adequate” or “great” preparation in that area.

Skills Gaps and Educational Weaknesses for Spa Managers/Directors	
Identified by Industry Leaders/Executives^a	Self-Identified by Spa Managers/Directors^b
1. Strategic planning skills	1. IT skills
2. IT skills	2. Public relations/promotional skills
3. Revenue management skills	3. Strategic planning skills
4. Legal/regulatory compliance	4. Revenue management skills
5. Public relations/promotional skills	5. Legal/regulatory compliance
6. Financial management/accounting skills	6. Problem-solving skills
7. Practical/on-the-job experience	7. Sales/marketing/retail skills
8. Problem-solving skills	8. Financial management/accounting skills
9. Leadership skills	9. Human resource skills
10. Sales/marketing/retail skills	10. Time management/multi-tasking skills

^a Industry leaders/executives were asked: “In general, how good of a job do you think spa management education/training programs are doing preparing their students in the following areas.” The items listed here are ranked in the order of the highest proportion of respondents selecting “Poor” as an answer choice (ranging from 20%-40% of respondents selecting “Poor”). N=125

^b Spa managers/directors were asked: “Please rate how well your formal spa management education/training prepared you with the following skills for working in spa management.” The items listed here are ranked in the order of the highest proportion of respondents selecting either “Poor/Inadequate” or “No preparation (but wanted training)” (20%-50% of respondents selected these answers). N=151

5. Key elements for “successful” spa management-related degree programs

Drawing upon extensive phone interviews with representatives of spa management-related degree programs and with spa industry leaders/executives, the SRI research team has identified a number of best practices that we believe can support excellence in spa management education and the production of well-prepared graduates. We are not advocating for uniformity or for a one-size-fits-all approach to spa management education. There is a need in the marketplace for a wide variety of programs with different focuses, lengths, and types of degrees, to meet the needs of students with different backgrounds and career aspirations. Additionally, any educational program would naturally be tailored to the mission, philosophy, goals, and student body of the institution where it is offered. However, we also believe there are some core elements and approaches that can help ensure the success and relevance of spa management educational programs. This information should be of use to schools as they are designing or revising the spa management curricula; it can also be used by spa industry leaders to work with schools and advocate for top-notch, industry-relevant programs.

Spa management-related degree programs should have spa industry advisory boards that meet regularly. To ensure that the curriculum is industry-relevant and addressing the most important skills/knowledge needed by spa managers/directors, schools offering degree programs in spa management should involve industry members in their curriculum development processes as much as possible. This is important not only when a program is being initially designed and launched, but also on an ongoing, periodic basis to review/update the curriculum to address changing industry trends and needs. A number of schools offering spa management-related degrees already have these kinds of industry advisory boards in place, while some consult with industry stakeholders on a more informal and infrequent basis – but ideally, the industry advisory board would be a formal group that meets annually (or on some other regular basis) to provide formal feedback on program structure, curriculum, and coursework; to review any curriculum revisions; and to otherwise inform the school about new trends and needs that are arising at spa businesses. Depending on the focus and student body of the program, the industry advisory board could be drawn from the local/regional industry, or could seek to involve industry members at a global level. Industry advisory boards are a common tool that are used by thousands of universities and schools across all fields (ranging from engineering to hospitality to technical trades), so most schools should already be familiar with the use of these boards and should have plenty of models and examples to draw upon.

Spa management-related degree programs should provide their students with deep and frequent interactions with the spa industry (either regionally or globally). Beyond the use of formal advisory boards, it is highly beneficial for schools and students to have myriad and frequent opportunities for communication and exchange between the schools’ faculty and students and members of the spa industry, on both a formal and informal basis. The deeper these connections are, the more likely it is that a school will be able to offer a well-designed and

highly relevant program and produce graduates that are sought out by spa businesses. Spa management programs use a wide variety of approaches to build these connections:

- The University of Houston's Conrad Hilton College of Hotel & Restaurant Management serves as the host for the regional Houston Spa Association, which brings more than 30 spas to the campus to meet four times per year.
- A number of schools (including University of Houston, Republic Polytechnic, University of Derby, and others) host spa industry and related conferences on campus on a regular basis, both bringing industry members and businesses to campus and giving students a chance to participate in these events and interact with industry members. For example, Republic Polytechnic (Singapore) recently served as the host of the LOHAS Asia forum, and the school attempts to involve students from its Wellness, Lifestyle, and Spa Management Diploma program in these kinds of events as much as possible.
- Many schools regularly invite guest speakers from the spa industry to visit campus, and to give lectures and interact with students. At Bellus Academy, for example, the school even expands students' exposure to guest speakers by incorporating video interviews with spa directors into the online modules of their "Best in Business" curriculum.
- Some schools take their students on study tours to visit spa businesses and get a feel for spa operations in different locations. At Australia's William Angliss Institute, for example, students in the Diploma of Resort Management (Spa) program take a study tour (either in Australia or in Europe, Middle East, or Asia) in their second year of study to observe spa operations firsthand.
- At some schools, members of the faculty and administration involve their students in off-campus spa industry events, providing the students with exposure to industry stakeholders in an industry-focused setting. At Bellus Academy, for example, students are invited to attend quarterly events for the regional spa directors' network, providing them with real world exposure and networking opportunities with potential employers. Another opportunity for spa management students to engage with industry is through the Student Challenge held at the annual Global Spa & Wellness Summit. Students from a number of the spa management-related degree programs catalogued in this report have participated in this challenge, as well as students from hospitality/hotel/tourism management programs that do not have any spa-related course.²⁶
- A few schools have faculty members who participate actively in spa industry events and organizations such as the Global Spa & Wellness Summit (e.g., Cornell University, RMIT

²⁶ Schools participating in the GSWS Student Challenge include: Chinese University of Hong Kong (Hong Kong), Cornell Nanyang Institute of Hospitality Management (Singapore), Cornell University (U.S.), Ecole Hôtelière de Lausanne (Switzerland), Gadjah Mada University (Indonesia), Hong Kong Polytechnic University (Hong Kong), Institut de Management International (France), Istanbul Technical University (Turkey), Pennsylvania State University (U.S.), University of Denver (U.S.), University of Houston (U.S.), and University of Southern California (U.S.)

University), and as a result these schools enjoy more name recognition and awareness among spa industry leaders than many other schools and programs.

Spa management-related degree programs should utilize teaching faculty that have real-life industry experience and connections. Another way to ensure deep ties between the school and industry is to emphasize hiring faculty for spa management-related classes that have substantial work experience and connections with the industry. While general courses on management, finance, marketing, and other subjects may typically be taught by general academic faculty, ideally spa-specific courses should be taught by practitioners with real-life spa experience. Since there are few “spa people” who get PhDs and become full-time academic faculty, many spa management programs utilize adjunct faculty and guest lecturers from industry to teach their spa courses. For example, at the Athlone Institute of Technology in Ireland, all teaching staff in the Department of Hospitality, Tourism, & Leisure Studies (including its spa management programs) have extensive industry experience in their respective fields (spa, sports, hospitality, etc.). While a small number of the faculty do have Masters or PhDs in their fields, their practical industry experience is considered to be a critical asset for the program. At the University of Houston’s Hilton College, course instructors are hired from industry and are kept on no longer than five years, unless they continue to be involved with industry.

Spa management-related degree programs should incorporate practical and hands-on experience into their curricula as much as possible. Anecdotally, one of the biggest complaints industry members tend to have about graduates from spa management-related degree programs is that they lack the practical experience and life skills that can only be gained through working in a spa. The broad mix of “hard” and “soft” skills that are needed to be a spa manager cannot all be taught in a classroom environment. Most of the stronger spa management degree programs (and most hotel/hospitality/tourism management programs, for that matter) require their students to complete multiple internships or other work experiences as a part of the program curriculum. These practical experiences can be achieved in a number of ways:

- **On-campus spa labs:** A very small number of schools have on-campus “spa laboratory” facilities, which are essentially working spas that are staffed and run by students in the school’s spa-related programs. These kinds of facilities are an ideal way to integrate practical work experience into the curriculum, because students have an opportunity to work in a spa environment on a regular and frequent basis, they are able to try out different jobs within the spa (front desk, therapy, manager, etc.), and their coursework can be linked directly with the practical experience in the spa lab. Florida Gulf Coast University (United States), University of Derby (United Kingdom), and Republic Polytechnic (Singapore) are all examples of schools that have on-campus spa labs for their students. These programs often require their students to complete a certain number of hours working in the spa lab as part of their degree requirements. As far as the SRI research team is aware, these kinds of spa lab facilities are only found at a very small number of schools that offer well-developed spa management-focused programs (as well as other hospitality and tourism-related offerings) –

and we are aware of only the three examples cited above (and elaborated in the box below), although there certainly may be other schools offering such facilities.²⁷ The major hospitality/hotel management schools (e.g., University of Houston, Cornell University) typically operate large training hotels for their students to work in, but as far as the research team is aware, none of these facilities include a spa.

Examples of Schools with On-Campus Spa Labs

Based on SRI's research, these three schools are the only known examples of spa management-related degree programs that have on-site spa lab facilities where spa management students can work to gain practical, hands-on experience.

- At Republic Polytechnic students' third year of coursework is primarily taught within the spa lab environment (which is housed within the school's on-campus "training hotel" – the Raffles Hospitality Centre), with students studying spa-related problems and topics in the morning, and then working in the spa lab in the afternoon to role-play and experience the topic/issue firsthand.
- At University of Derby, the campus is home to "The Dome" which operates as a commercial facility providing spa, hair, and salon services to the public and is fully staffed by students from the school's international spa management programs (at the Foundation, Bachelor's, and Master's Degree levels). Students working in the "Devonshire Spa" at "The Dome" even work with Elemis branded products, so they gain direct experience with the product lines that might be used in a commercial spa.
- Florida Gulf Coast University's on-campus spa lab also operates as a commercial facility serving the public, and students from the school's Spa Management concentration (within the Bachelor's of Science in Resort & Hospitality Management program) have the opportunity to work in a range of jobs within the spa lab.

- **Internships and work placements:** The majority of spa management-related degree programs catalogued in this study require their students to complete an internship or work placement as part of their degree requirements (although the required length and number of internships vary from school to school). Internships are a very common and very important way for students to gain real-life, on-the-job skills while completing their academic studies. While an internship usually cannot be considered a substitute for full-time work experience (i.e., employers should be realistic and expect that students who have earned a degree and completed an internship will still need to gain significant experience when they start their first job), the internships do provide an important avenue to gain practical and "soft" skills that cannot be learned in a classroom. The greater the number of internship hours a student completes, and the more placements the student has in different positions or companies, the more useful the experience generally will be. For students in hospitality/hotel/tourism/business management programs, completing internships in spa businesses is especially critical since the available spa-specific coursework is likely to be

²⁷ Most spa therapy training programs are likely to have on-site spa/salon facilities where students gain hands-on experience in massage, esthetics, and other therapies; however, our focus here is on schools that offer such facilities in conjunction with spa management-focused programs.

quite limited; therefore, the internship may be the only opportunity for the student to gain a deeper understanding of the spa lifestyle and spa operations.

Schools offering spa management-related degree programs very much rely upon their relationships with spa businesses to place their students in internship positions. For schools that are located in regions with a large, well-developed spa and tourism industry, these relationships can be easier because there is a large local pool of spas where students can potentially intern while completing their studies. Other schools (especially those with an international focus and student body) may seek to place their student interns in spa companies around the world – and these opportunities are even more dependent on the school being able to build relationships and agreements with spas that are willing to take on student interns. Most of the school representatives interviewed for this study indicated that they have a relatively easy time finding internship placements for their students, but they would welcome the opportunity to build more relationships with spa companies who are willing to work with students. Among the industry leaders/executives surveyed for this study, only 50% stated that their company offers internships for students interested in spa management careers. It would certainly be beneficial for both schools, students, and employers alike if more spa companies step up to offer internships and other practical work experiences to students interested in spa management careers – and fortunately, among the surveyed spa businesses who are not currently offering internships, 79% stated that they are “very” or “moderately interested” in doing so.

Examples of Internship Requirements in Spa Management-Related Degree Programs

- At Florida Gulf Coast University, students in the Bachelor's of Science in Resort & Hospitality Management program must work a minimum of 500 hours in an approved internship (which translates into 35 hours of work per week if a student is to complete the internship in one semester). The school provides detailed internship placement guidelines, manuals, and evaluation forms to ensure that the internship experience is valuable for both the student and the participating employer.
- Students in the University of Houston's Bachelor of Science in Hotel & Restaurant Management program must complete 2 internships, with 300 hours of work per internship. The school encourages companies to have a formalized plan for how they work with the interns, and offers benchmark internship programs after which companies can model their own internship arrangements.
- At the University of Derby, students in the Bachelor of Science in International Spa Management program have an option to extend the length of their studies from 3 to 4 years by taking an optional one-year work placement in the spa industry (either in the United Kingdom or overseas), between the 2nd and 3rd years of the program. According to a representative of the program only about 5% of students take advantage of this opportunity, but the ones who do really value the experience and gain significant skills. Work placements have included locations such as: Evason Phuket Resort and Spa (Thailand), the Aphrodite Spa (Malta), Mandarin Oriental Spa (London), and One Spa (Edinburgh).

Characteristics of a Good Internship Program

Employers should consider the following general guidelines and recommendations to ensure that internships are a mutually beneficial experience for both the student and the business:²⁸

- **Real work assignments:** Provide your intern with meaningful work assignments that are related to their program of study, that are challenging, that are valuable to your business, and that fill up their work term. Develop a clear job description or scope of work for your intern. Set expectations clearly.
- **Orientation:** Hold an orientation session for your intern as well as the manager(s) and mentor(s) involved, so that everyone is on the same page in terms of expectations and role definitions.
- **Guidance:** Provide your intern with a handbook/website with any information or guidance they might need.
- **Housing and relocation assistance:** For summer internships, provide housing and relocation assistance.
- **Scholarship:** Pair a scholarship with your internship, which is a great way to recruit interns.
- **Supervision:** Your intern should be supervised by experienced professionals.
- **Intern manager:** If you have many interns, have a dedicated intern manager to coordinate your internship program.
- **On-site visits:** Invite faculty and career center staff to visit your intern on site. This will help build a better working relationship with the school, which can lead to more student referrals and enhanced campus visibility for your business.
- **In-house training:** Provide your intern with access to your in-house training programs.
- **Showcase work:** Showcase intern work through presentations to demonstrate their achievements to your employees.
- **Performance evaluation and feedback:** Intern supervisors should conduct mid-term and final evaluations of your intern's performance and should share these results with the university's faculty/staff internship coordinator and the intern. Your intern should evaluate his/her internship experience (according to learning and performance development objectives) and share this evaluation with his/her university faculty/staff internship coordinator.
- **Exit interview:** Conduct exit interviews to collect feedback on your intern's experience and interest in coming back to work as an intern or employee.
- **Compensation:** If possible, compensate your intern.
- **Schedule/work hours:** Internship start and end dates should coincide with the school calendar, e.g., the start and end dates for the term in which the intern is receiving academic credit. Also, in terms of work hours, interns need to balance their internship schedule with their course schedule.

Additional industry-specific guidelines for spa businesses working with spa management interns include the following:²⁹

- Set up a rotation program to expose your intern to different departments in the spa (perhaps 1-2 weeks per department).
- Expose the intern to the customer experience. Your intern should work at the front desk and experience all the treatments and products, so that they understand what they are selling.
- Have your intern spend time with the spa owner or general manager/director as an assistant first, and then rotate into operations, so that your intern develops an understanding of the spa owner's perspective.
- Ask the school to provide you with the intern's course curriculum so you have a sense of what the intern has already learned in his/her program.

²⁸ Adapted by SRI from various sources, including: National Association of Colleges and Employers, *Building a Premier Internship Program: A Practical Guide for Employers*; and Matt Berndt, *Guidelines for Internships*, <http://hirestandards.wordpress.com/2010/05/14/guidelines-for-internships/>.

²⁹ Adapted from personal interviews conducted by SRI with spa industry leaders/executives and representatives of schools offering spa management-related degree programs.

The curriculum of spa management-related degree programs should provide a well-rounded focus on technical business skills combined with an understanding of the spa philosophy and lifestyle. As part of the school-focused research conducted for this study, the SRI research team has reviewed the curriculum and course requirements of a wide cross-section of spa management-related degree programs in schools around the world. This information, combined with inputs gathered from interviewed industry leaders about what good spa managers/directors should know, as well as the survey data presented previously on key skills gaps/weaknesses among spa managers/directors, has allowed us to compile a set of core topics that we believe should be included in a well-rounded spa management degree program. It is important to reiterate here that we are not advocating for a “one-size-fits-all” curriculum; any program’s curriculum should be specifically tailored to the mission and focus of the school/program and the student body being targeted, and should incorporate significant inputs from spa industry representatives. We presented these suggested program topics/guidelines merely as a starting point for discussion and consideration by both spa industry stakeholders and schools. These suggestions may serve as a resource for schools that are considering starting up a spa management-related degree or concentration, as well as for industry leaders who may want to communicate with schools about curriculum development and/or advocate for the development of such programs. The SRI research team recommends that the curriculum guides presented below should be reviewed and vetted by a cross-section of spa industry members before being publicized as an industry-endorsed guide for spa management curriculum development.

As an additional and even more detailed resource for spa management curriculum development, the ISPA Foundation has compiled a core “body of knowledge” for spa management personnel, which covers 21 content areas in which spa managers/directors should have knowledge/skills to become experts in their field, along with details and specifics under each core content area. The “body of knowledge” was a joint effort by the ISPA Foundation and a committee of experienced spa professionals, and it was developed as part of the Foundation’s ongoing efforts to support spa management training and curriculum development. The full “body of knowledge” document is presented in *Appendix C* of this report (with permission from the ISPA Foundation). As with SRI’s own recommendations about spa management curricula, the ISPA Foundation would like to emphasize that the “body of knowledge” continues to be a work in progress – it is provided here because it is an important informational resource on this topic and also to offer spa industry professionals an opportunity to give feedback on the document so that it can continue to be refined and improved.

Preliminary Guide for Curriculum Development in Three Types of Spa Management-Related Degree Programs

For further review and discussion by industry members

1. Pure Spa Management Programs:

A well-rounded degree program that is entirely focused on spa management would ideally incorporate the following topics:

SPA MANAGEMENT AND BUSINESS OPERATIONS

- *Introduction to Spa & Hospitality Management*
- *Strategic Business Management*
- *Information Technology for the Spa Industry*
- *Yield & Revenue Management*
- *Financial Accounting*
- *Managerial Accounting*
- *Spa Business Development & Entrepreneurship*
- *Spa Service Design & Marketing*
- *Public Relations, Promotion, & Social Media*
- *Spa Retail Management, Merchandising, & Sales*
- *Human Resources & Staff Management*
- *Customer Service & Business Communications*
- *Spa Design & Development*
- *Spa Operations & Facility Management*
- *Spa Service Quality Management & Excellence*
- *Spa Ethics, Law, & Regulatory Compliance*
- *Spa Sanitation & Safety*

PERSONAL DEVELOPMENT

- *Problem-Solving, Research, & Analysis*
- *Developing Business Leadership Skills*
- *Time & Project Management*

SPA INDUSTRY

- *Introduction to the Spa Industry (including History of Spa)*
- *Spa, Wellness, & Medical Tourism*
- *Cultural Diversity & the International Spa Industry*
- *Sustainable Development*

SPA & WELLNESS LIFESTYLE

- *Anatomy & Physiology*
- *Spa Treatments, Services, & Products*
- *Massage Techniques*
- *Wellness & Lifestyle Management (including Wellness History & Philosophy)*
- *Balanced Nutrition & Spa Cuisine*

2. Hospitality/Hotel/Tourism/Resort/Business Management Programs with a Spa Concentration:

Since a sizeable number of spa managers/directors graduate from hospitality/hotel/tourism/resort management degree programs, it would be beneficial for the spa industry if such programs offered a formal concentration in spa with a well-rounded set of courses, rather than an ad hoc and informal set of just 1-2 spa related elective courses. A formal spa concentration might include the following topics:

- *Introduction to Spa Management & the Spa Industry*
- *Spa Operations & Financial Management*
- *Spa Customer Service & Guest Relations*
- *Spa Marketing, Sales, Retail, & Branding*
- *Spa Services & Treatments*
- *Health, Wellness, Nutrition, & Spa Cuisine*

**Preliminary Guide for Curriculum Development in Three Types of
Spa Management-Related Degree Programs (CONTINUED)**
For further review and discussion by industry members

3. Spa Therapy Programs:

Since a huge share of spa managers/director are promoted upwards from therapist-level positions, it would be beneficial if the schools and training institutions that provide training in spa therapy would also incorporate basic business/management skills training into their curriculum. This could be accomplished in a couple of ways:

- *Adding one course, or a series of workshops or online modules, covering essential and basic business skills, into the required coursework for spa therapist programs.*
- *Creating a combination spa therapist and management degree or credential, which would provide training in spa therapy along with a broad range of management skills. Graduates from such programs would be able to enter spa therapist positions, but would also be able to progress into lead therapist and management-level jobs more easily because they would already have gained some of the necessary business skills.*

Both of these approaches could be accomplished with relatively little investment of resources if spa therapy schools partnered with other schools that already have a spa management program/curriculum in place to offer joint degrees, or alternatively purchased or licensed a pre-existing business skills curriculum from another school or training provider.

B. Continuing education providers (offering short courses, workshops, and credentials for people already in the workforce)

In addition to the more traditional, school-based degree programs discussed in the preceding section, the spa management education inventory, survey, and research work carried out as a part of this project also covered continuing education programs for current and aspiring spa managers already in the workforce.³⁰ Continuing education, for the purposes of this study, is defined as any program targeted towards individuals in the workforce, whether they are current spa managers/directors or other professionals (i.e., therapists, managers in hospitality or other fields) seeking to transition into spa management. During the course of this study, the following key findings have been drawn:

- The market for spa management continuing education is young and is still undergoing rapid turnover and evolution.
- A core challenge in spa management continuing education is to provide meaningful training that addresses the skill and knowledge gaps amongst spa managers/directors, while also accommodating the limited time and financial resources available to spa managers (or aspiring spa managers) in the workforce.
- The credentials (e.g., certificates, diplomas) offered by continuing education programs are not consistent across providers, such that a “Certificate in Spa Management” may be earned in four days or a may take over a year.

1. *Profile of spa management continuing education programs*

The broad spectrum of career pathways that lead to spa management has generated demand for educational programs that can fill a variety of gaps in prior training and experience for spa managers/directors in the workforce. These programs range in content and format, and are offered by colleges and universities, institutions and associations, and private companies and consultants. Within some companies, in-house training programs fulfill this role (see *Section V*). However, this section focuses on external providers of continuing education in spa management. According to spa manager/director survey responses, individuals seem to report similar levels of participation in in-house and external workshops and seminars.

³⁰ The SRI team acknowledges the research work conducted by student intern Charlett Kohlwes in preparing this inventory. A student of Tourism & Recreation Management with a major in Spa Management at Saxion University in the Netherlands, Ms. Kohlwes conducted independent research to prepare the inventory, with close interaction with the SRI research team. Ms. Kohlwes personally gathered detailed information about more than 100 spa management-related educational programs and continuing education/training providers worldwide, and her work served as the basis for much of the information presented in this section. Ms. Kohlwes extensive research work was supplemented by an online survey and telephone interviews with educational programs, conducted by the SRI team.

This study has identified 41 providers of continuing education related to spa management.³¹ As shown in the table below, most programs are based in North America, Asia-Pacific, or Europe. However, a number of these programs allow for distance learning or focus on short courses so that participants can attend from other countries and regions and, according to interviews with continuing education providers, many students do attend or participate in programs outside their country of employment/residence.

Continuing education courses typically cater to participants who are already in the workforce, or have prior work experience, but the profile of students who participate in these programs is quite broad and includes: senior therapists seeking to move into management, individuals with management training and experience who want to transition into (or better understand) spa, existing spa managers/directors, and current or potential spa owners/entrepreneurs. Some programs, especially those labeled “Executive Education,” cater to individuals who already have management experience, and sometimes even require it. Other workshops and courses are geared more towards individuals seeking to transition into spa management, from therapy or other industries. In some cases, in institutions that train both therapists and managers, spa management courses are offered to students in the therapy track, giving them the groundwork for future career advancement.

The majority of continuing education programs in spa management are offered by private companies, typically in the form of short courses, workshops, or other certificate programs. Universities, colleges, and other schools also offer continuing education programs for spa managers – some in the form of workshops or short courses, and others through more long-term, part-time programs.

Summary of Spa-Management Continuing Education Providers Worldwide				
	Total Number of Providers	University/College/School Workshops, Short Courses, or Certificates	Private Companies	
			Full-Time Programs	Short-Courses, Workshops, or Certificates
Asia-Pacific	11	3	1	7
Europe	9	3	1	5
Latin America	4	1	-	3
Middle East	1	1	-	-
North America	16	7	-	9
World	41	15	2	24

Note: This information is deemed as accurate as possible by the SRI research team, but the numbers are not exhaustive – there are certainly other continuing education providers in existence that were not identified and counted in our research. The providers tallied here and listed in *Appendix B* were limited to those from whom the research team was able to gather information online or via email, survey, or telephone.

³¹ A list of the 41 continuing education providers is presented in *Appendix B*.

New and evolving program offerings. Continuing education designed specifically for spa managers/directors is a relatively new phenomenon; most programs have been established in the past decade – many within just the past few years. Providers in the field are still, in many ways, undergoing a process of trial and error to determine the best models for spa management continuing education. According to industry and education stakeholders, many of the programs have not succeeded, and others have undergone significant changes to remain viable. For example, the SpaLEAD program by *Urban Healing* was designed to provide hands-on, highly applicable learning over a series of face-to-face workshops, online and distance learning, and other resources. While the feedback from participants (as well as their employers) was excellent, the program has not, at present, been able to generate sufficient interest to move forward at this time. Providers are still in the process of learning what types of programs can offer real value but also meet market demand for efficient and inexpensive programs.

While a number of programs are gaining recognition for their merits, there is not yet broad consensus on an ideal model for content and delivery. No programs are consistently and globally labeled by industry and educators as the “best.” In fact many industry stakeholders interviewed expressed how difficult it was to assess the true value of existing spa management education programs.

The growth in demand for spa management certifications has driven the rapid expansion of the certificate provider market; nearly all continuing education programs offer some sort of certificate with program completion. Thus, while these programs are still emerging and their impact is uncertain, these programs do seem to be serving a real and growing demand. When surveyed industry leaders were asked what education/training programs best suit their businesses’ needs, 41.2% selected “certificates and short courses” amongst their responses – the highest response percentage of the options given (see *Section IV.A.4.*, above).

Balancing limited time and resources with major skill gaps. Evidence from surveys and extensive stakeholder interviews illustrate substantial skill gaps between spa managers/directors in the current marketplace and the ideal candidate. At the same time, most spa managers/directors have limited time and resources for professional development; they work a lot and make relatively modest salaries. Employer funding for outside training is also quite limited for many spa managers/directors; various stakeholders noted an unwillingness of companies to invest in spa management training. This is supported by survey results, where only 20% of spa industry leaders indicated that their company pays for in-person training done by external training companies/vendors, and only 8% pay for externally-provided online/distance training for spa managers/directors. Some interviewees attributed this to the low profit margins of the industry, a lack of recognition for spa in large hotel companies, and high employee turnover and “poaching” amongst competitor companies. The result is that, while many spa managers/directors would benefit from comprehensive, in-depth spa management training, most are unable to take time off of work to continue their education, unless their employers place significant attention and resources into making this possible. Providing programs with the

breadth and depth to address gaps in management training, and that also can be completed while working full time as a spa manager/director, is one of the principal challenges of continuing education in spa management.

2. *Three formats for spa management continuing education programs*

The depth and duration of spa management continuing education programs ranges from short (less than one week) workshops to longer, more comprehensive programs. We describe some basic, frequently encountered models below, followed by examples, but there is significant variation amongst programs – which may deviate from or combine these three basic formats.

Three Types of Spa Management-Continuing Education Programs: Pros and Cons			
	Overview Workshops or Short Courses	Workshop or Short Course Series	Full Professional Development Programs
PROS	<ul style="list-style-type: none"> Cover a wide range of spa management topics in an efficient timeframe Short duration makes programs accessible to busy, working professionals, including international participants Programs are relatively affordable (compared to more long-term options) 	<ul style="list-style-type: none"> Attendees can pick and choose programs that best suit their personal skill gaps, or complete the full program for a more comprehensive education Spending a few days on a single topic allows more theoretical depth and applied, hands-on training (compared to overview workshops) The short duration, staggered programming, and flexible timelines make it feasible for professionals to travel to trainings 	<ul style="list-style-type: none"> In-depth, rigorous coverage of spa management topics, including the opportunity to iterate and apply new concepts during the program New part-time, distance-learning tools allow students to participate in the programs without traveling and without taking time away from work
CONS	<ul style="list-style-type: none"> Short timeframe limits the depth and rigor of training in any one topic The high cost of travel (especially for international attendees) plus program fees may be prohibitive for some spa managers/directors 	<ul style="list-style-type: none"> Condensed course style does not allow for iteration of learning and application of new concepts The time commitment for completing the full program may not be feasible for some spa managers/directors The high cost of travel (especially for international attendees) plus program fees may be prohibitive for some spa managers/directors 	<ul style="list-style-type: none"> Part-time programs can take a long time to complete Full-time programs require students to take time away from working Program costs (and travel and time away from work, if applicable) may be prohibitive for some potential participants

- **Overview Workshop/Short Course:** The majority of continuing education programs identified are in-person, intensive workshops or short-courses in spa management. These programs cover a wide range of topics and skills in a relatively short period of time, with the goal of providing working professionals with a boost in their knowledge and skills. Programs are typically (though not always) face-to-face and 3-5 days in duration, but range from a half-day to two weeks. Curriculums vary, but typically cover some mix of business management/finance, operations, marketing/sales, and other spa-related topics. Many of these workshops endeavor to customize these topics within the spa context, and to teach participants practical skills, which they can easily bring back and apply to their jobs.

Intensive workshops and short courses are in demand and seem to be proliferating rapidly. The key advantage of overview workshops and short courses in spa management is their accessibility. Overview programs in spa management offer an intensive, face-to-face learning option that is available to working professionals with limited time and/or financial resources to further their education. As discussed elsewhere in this report, many spa managers/directors work long hours and may have limited access to financial resources for professional development. The short duration of these programs also makes it feasible for participants from other countries and regions to attend these trainings. For those individuals unable to travel, some programs have developed an online version of their programs.

The principal criticism, especially of the shortest of these programs, is that by seeking to cover several complex topics in just a few days, these programs cannot achieve sufficient depth in any one topic or skill set. As discussed in detail in *Section III* of this report, the industry expectations for a good spa manager/director includes a strong command of business concepts (including financial management, marketing, sales), the nature of spa, and industry specific operations management. Some argue that the critical depth and associated practical skills that many spa managers/directors currently lack cannot be achieved across this range of topics with such a condensed timeline in a short course or workshop. This is further complicated by the diverse backgrounds of the spa managers/directors attending these courses (i.e., former therapists versus managers coming from hospitality or other industries), as instructors cannot assume a uniform level of previous knowledge. To redress this, some programs only admit individuals with a certain level of experience in spa management.

Some brief examples of spa management overview workshops/short courses are provided in the boxes on the following page.

Wynne Business Spa Director's Management Intensive (United States)

Face-to-face and online intensive workshops

Website: <http://www.wynnebusiness.com/category/education/>

Designed for working professionals, Wynne Business' 3-day Spa Director's Management Intensive Seminar is intended to cover every aspect of spa operations, including financial management skills for directors and managers, sales and marketing, spa program design, retail management, leadership, and quality management. This intensive program is meant to offer practical advice, and also draws upon the experiences of the participants, who have a wide variety of educational and professional backgrounds. Most of the seminar participants are spa entrepreneurs, day spa owners, and hotel/resort spa managers. This seminar, which has been offered for the past four years, has also been adapted for and taught in other countries, such as Brazil, South Africa, and Hong Kong/China. To accommodate people who do not have the time or money to travel and spend three days away, Wynne Business also recently launched a 12-week online self-paced version of its intensive program.

Spas2b (Canada)

Multimedia and online distance learning

Website: http://www.spas2b.com/distance_learning_program_overview.php

Spas2b has been working in the field of spa management education since 1998, and in 2003 they began offering one-week in-person workshops for spa managers. Based on the high level of international student attendance and interest, Spas2b launched two online distance-learning programs in 2008. They currently offer these multimedia programs with online examinations to spa managers, entrepreneurs, and professionals in over 50 countries throughout the world. The two online courses are: 1) Spa Start Up, Management & Operations, and 2) Spa Management & Operations (identical to the first course, but without the Start Up module). At the end of the self-paced coursework, participants who pass the online final exam are awarded a Spa Management Certificate of Achievement.

■ **Workshop/Short Course Series:** Balancing the demand for continuing education options that accommodate busy professionals with the need for additional depth and specialization, several programs have been created that feature a series of workshops or short courses. Each course offering targets a different aspect of spa management intensively, often featuring presentations by industry experts, hands-on exercises, and a blending of theory and application. For example, in some programs managers/directors will work towards refining their own spa menu, or review their existing finances or balance sheets during the workshop, under the guidance of the instructors. In some cases, these workshop series have evolved out of shorter, overview programs, in response to a recognized market need for more depth and flexibility. For example, *Rizzato Spa Consulting* originally offered a 5.5-day spa management toolbox program, which has since evolved into five 3-day workshops on different topics.

Each course, or module, is just few days in length (or equivalent), and may be delivered via face-to-face lectures, webinars, or multi-media tools for self-guided study. In some cases, participants may earn a spa management credential by completing a prescribed curriculum or number of courses, or may choose to just take one or two modules in areas of interest. Some programs are augmented by supplying students with additional tools, such as online and technical resources. Common topics for workshops and short courses may include financial management, operations management, marketing and sales, staff leadership, and customer service. Stakeholders interviewed noted that business-oriented topics are usually popular and well-attended, not only by spa managers/directors, but also owners and entrepreneurs.

Workshop or short course series provide many of the accessibility benefits of the overview workshops, while also offering a more in-depth and an applied course of study on specific topics. Completing a full program is more time-intensive than in the overview workshops, but individuals who are unable to attend the full program can choose to attend one or two modules that best address their personal gaps in training. Because traveling to attend multiple workshops can present a hardship for international participants, some programs have adapted their programs to distance learning formats, so that students can work at their own pace.

Some brief examples of spa management workshop/short course series are provided in the boxes on the following page.

Lausanne Hospitality Consulting, Ecole Hôtelière de Lausanne (Switzerland)

Series of face-to-face workshops, with option to obtain certification

Website: <http://lhcconsulting.com/lee/>

Only a handful of education programs in spa management were consistently recognized by industry stakeholders (in interviews and surveys) for their quality, and Lausanne is amongst them. The Lausanne Executive Education program offers a variety of 3-day courses in management and spa, from which participants can pick and choose which to attend. If students complete 20 hours of training, they earn a *Lausanne Hospitality Management Certification, Special Mention Spa*. Note that Lausanne has significantly modified its spa management professional certification program that was launched in 2009 and was originally offered as a 1-year full-time program. In response to industry feedback, the program was changed this year to the 3-day short course/modular format.

Raison d'Etre (Sweden)

Series of online and face-to-face course modules

Website: <http://www.raisondetrespas.com/spa-management-courses/>

Sweden-based Raison d'Etre has typically taught its spa management professional courses as a series of two 4-day workshops (often taught onsite in Stockholm, although courses have also been offered in the United Kingdom, Dubai, and elsewhere). The emphasis of the courses is on business plans, marketing, human capital management, and finance, and participants are given course assignments to work on at home in between the two course sessions. Course participants are often spa managers/directors who are not working in chain-based spas, and therefore may not have in-house training available and may feel that they do not possess all the tools they need to do their jobs well; occasionally participants also include lower-level spa employees (e.g., lead therapists) who are interested in moving into management positions.

Raison d'Etre has recently partnered with YHHS (Sweden's Cidesco-certified School for Spa & Beauty) to develop a modified online format for its spa management courses, offered in both Swedish and English, which will allow its offerings to reach a wider audience. The online version of the course will include webinars offered during a 3-month period, then 3 days of in-person workshops in Stockholm, concluding with individual student presentations of the business plans they have developed during the course. Coursework includes 6 modules: spa history, terminology, and trends; leadership; operations, customer service, and quality management systems; PR and marketing; finance, and business plans.

■ **Full Professional Development Programs:** Several providers now offer more comprehensive spa management continuing education programs, usually via part-time programs that can take up to a year or longer to complete. Given the relatively small size and nature of the spa industry, many programs exclusively targeting spa managers/directors must find ways to accommodate working professionals as well as students who are unable to regularly travel to the host institution. These programs are therefore often offered online or through a blend of online and face-to-face learning, which can be completed part-time over a longer period of study. While the topics in these programs are similar to those in workshops and short courses, the programs are longer and more intensive than workshop-based models, and thus the breadth and depth of material covered generally tends to be more extensive.

Full professional development programs may be more appropriate for individuals new to or seeking to transition into spa management, who need more in-depth instruction than experienced spa managers/directors building on their existing skills-sets. While many providers do seek to be accommodating by providing part-time and distance-learning options, these programs do require a major commitment of time and can become quite expensive. Part-time programs may take a student years to complete, and other programs are full-time, face-to-face, for which a student must take a leave of three months or more from work to attend. This may be why, in addition to the newness of the industry and still evolving education market, only a handful of these programs currently exist.

Some brief examples of spa management full professional development programs are provided in the boxes on the following pages.

Ananda Spa Institute, Spa Administration Diploma (India)

Full-time, face-to-face, 3-month program

Website: <http://www.anandaspainstitute.com/courses.asp>

Recipient of the 2011 Spa Academy of the Year award from Crystal Awards Asia Pacific, the Ananda Spa Institute (ASI) in Hyderabad, India claims to be the first educational institution to provide spa management education in the country. ASI was founded in 2008 by IHHR Hospitality Pvt. Ltd., a large spa resort operator that owns and operates "Ananda In The Himalayas," which was named "The Best Destination Spa" by *Condé Nast Traveller* this year and a number of times in the past; IHHR also has a chain of five-star business hotels under the brand name "Ista." ASI is accredited by CIBTAC, and provides training in international body treatments, Ayurveda, and yoga. It also offers one core spa management education program, the ASI Spa Administration Diploma, which is targeted towards professionals who already have experience in the spa/hospitality industry or related areas. There is also the ASI Spa Diploma with Spa Management, which is geared towards students with no prior work experience and is mostly focused on spa therapy training with an introduction to spa management topics.

The ASI Spa Administration Diploma program is intended to develop an international skill set, and currently 10-12% of the students in the Spa Administration Diploma program are international. The Spa Administration Diploma program is three months full-time, taught face-to-face. The spa administration course is divided into two parts:

1. Anatomy/physiology and body massage courses (upon completion of these courses, students may take the CIBTAC exam to gain that certification, which is therapy-oriented); and
2. Spa administration courses on administrative and managerial aspects of the spa industry; ASI has created its own certification for spa management.

Coursework includes: the history of spa; the importance of standard operating procedures; management of stocks and inventories; health and safety; contraindications; sanitation; bookkeeping, accounting and financial management of a small spa; marketing; legal aspects of the business; client relations; professional development; and human resources development.

In terms of career services, ASI has placement coordinators who work with spa HR managers on recruitment. These coordinators also collect feedback from employers on ASI's programs, and this industry feedback, along with feedback from ASI's executive council, visiting faculty, and alumni network, helps inform ASI's curriculum.

University of California, Irvine Extension, Spa and Hospitality Management Certificate (United States)

Part-time, distance learning, with option to obtain certification

Website: http://unex.uci.edu/certificates/business_mgmt/mgmt_supervisory_skills/spa/

University of California, Irvine (UCI) Extension, the continuing education arm of UC Irvine, launched their *Spa and Hospitality Management Certificate Program* in 2004, after determining that there was a sustainable industry need for such a program, through extensive research and consultation with the advisory board that was formed around this initiative. A continuing education program is a good alternative for spa industry practitioners who want to transition into management but who do not want another degree and/or do not want to leave their jobs to seek additional training. The program is very flexible overall – students take the courses they need, when they want to, with little pressure to complete the entire certificate program (which is comprised of seven courses, five required and two elective, for a total of 15 units; students have five years to complete the full certificate program).

When the *Spa and Hospitality Management Certificate Program* first launched, it was taught in a traditional face-to-face format, with people flying in on weekends, but the program soon transitioned to a purely online learning environment because they found that students did not have the resources to travel back and forth. As a result of transitioning online, the program has been able to expand its reach and attract international students: currently over one quarter of the students enrolled in the program are from outside the United States. In terms of professional background, many students are already working in the spa industry and would like to transition into management roles, while other students are career changers from other industries.

The program is intended to cover all aspects of spa operations, including business planning/operations, marketing/retailing, human resources, finance, customer relations, and legal issues. UCI consults regularly with their advisory board and other industry experts to ensure that their curricular content is up-to-date and relevant. All of the program's instructors are current practitioners in the spa industry, and they go through a rigorous approval process to teach at UCI.

To market the program, UCI holds events and quarterly topical webinars on trendy spa industry topics. They also employ Google search marketing and advertising strategies, and run banner and print ad campaigns through spa industry publications in various countries.

3. Industry accreditation and credentialing

The emergence of a large number of continuing education programs in spa management, following any number of structural and content models, has created a level of confusion in the spa education marketplace. Spa management credentials (e.g., certificates, diplomas) offered by continuing education programs are not consistent across providers, such that a “Certificate in Spa Management” may be earned in 4-days or a may take over a year. This is exacerbated by the newness of the spa management education industry; employers cannot easily judge the value of programs, or the skill-sets that program graduates can be expected to possess. Similarly, stakeholders reported that students have difficulty selecting what program will best improve their real and perceived qualifications, in the absence of uniform credentialing or a clear hierarchy of program reputations.

Two widely utilized methods for achieving clearer signals between employers, job seekers, and education providers are credentialing and accreditation. Typically, the way this works is that a well-respected association or industry body can either test individual capacity, awarding **credentials** to successful candidates, or can **accredit** a training program by verifying that it meets predetermined standards for quality and content. There is a lack of strong empirical evidence and some controversy over the effectiveness of credentialing programs, especially in fields with slightly “softer” skills sets (compared to more technical fields), such as management. Nonetheless, both accreditation and credentialing programs are widely utilized in many industries. Many believe that a truly independent party, via close collaboration between industry and academia, can develop a program that provides valuable market signals for both employers and employees. When spa industry stakeholders were asked in interviews whether an international management *credentialing* program would be valuable for the spa industry, most felt that it would be, but that creating such a program – with truly international buy-in and participation – would be a highly difficult and complex task.³² The views of interviewed stakeholders on the feasibility of developing industry *accreditation* for spa management training/educational programs were mixed to negative, with many interviewees expressing concern that the industry should not be dictating what schools and trainers teach, as well as the challenges of doing this in a relatively new and rapidly evolving industry (where most education/training programs are also very new and are still evolving as well).

At present, there are no widely-recognized, international, industry-standard credentialing or accreditation programs in spa management, although a recent notable effort has been made by ISPA to address this gap. In 2004, the International Spa Association (ISPA) collaborated with the American Hotel & Lodging Educational Institute (AHLEI) to launch the *Certified Spa Supervisor* (CSS) credentialing program, as well as a more recently-launched *Spa Management Area of Specialization* certificate program (see box below). ISPA has also developed a series of learning

³² It is important to note here that industry credentialing and accreditation programs do already exist in the spa industry, but until recently these have been entirely focused on spa therapy and technical skills (e.g., massage, esthetics, cosmetology, etc.). The question here is whether such credentials could also be developed for management-level spa employees.

materials and textbooks for spa managers/directors – which are already utilized in other school-based and continuing education spa management programs (see *Section IV.C.*, below). Several spa stakeholders and interviewees have noted the ISPA/AHLEI CSS program as a very positive development for the industry, especially since both AHLEI and ISPA are well-recognized and respected, but the program is still very new and very small. Only about 325 persons have received the CSS credential to date, primarily in the United States – and a large share of these were within one or two spa companies that require their management personnel to obtain the CSS credential (see more information on this in *Section V*). The challenge remains to more widely promote this credential among the spa industry, and to build awareness and buy-in (not only in the United States, but especially internationally). It is unlikely that extensive investments in spa management credentialing programs can or will be made by AHLEI/ISPA or other industry organizations until the spa industry demonstrates demand for such credentials through increased interest in the CSS program.

Examples of Industry-Based Credentialing in Other Industries

Hospitality Management: The American Hotel & Lodging Education Institute (AHLEI) offers a range of well-respected hospitality certification programs, which are awarded based on knowledge, experience, and successful completion of an exam. The available certifications include a range of management levels, including executive, department head, managerial, supervisor, and line-level certifications in several industry segments: hotels, food & beverage establishments, trainers, hospitality educators, hotel suppliers, and spas. AHLEI has been developing supervisory- and management-level certifications in the hospitality industry for over 30 years (while its line-level and technical certifications have been developed more recently), and its management-level credentials are widely recognized and adopted by major hotel/hospitality chains around the world.

Meeting and Event Planning: The Convention Industry Council (CIC) offers a Certified Meeting Professional (CMP) credential that is widely utilized in the meetings, conventions and exhibitions industry. Over 14,000 professionals from 26 countries and territories have earned the certification since it was established in 1985. The certification is based on the candidate's relevant work experience and a written examination, which has been recently computerized.

The CMP is sometimes complemented by a Certified Special Events Professional designation, a program of the International Special Events Society (ISES). Applicants to the program must demonstrate professional experience and pass an exam designed to measure "knowledge-in-use" (i.e., how well the candidate is able to apply knowledge and skills to realistic scenarios).

Project Management: The Project Management Institute (PMI) offers several certifications, at different levels and with different specializations, including the Project Management Professional (PMP). Applicants must meet education or experience requirements, and pass a knowledge and skill-based exam to earn a PMP certification. According to a PMI survey, holders of the PMP credential in the United States earn approximately 16% more than peers without the credential.

Esthetics: While management credentialing is increasingly prevalent (such as the programs described above), many credentialing programs are more technical in nature. For example, the CIDESCO Diploma (Comité International d'Esthétique et de Cosmétologie) is a leading, international qualification in the field of esthetics and beauty therapy. Over 230 approved schools around the world offer programs leading to the CIDESCO Diploma. The diploma may also be awarded directly to candidates who demonstrate the requisite experience and pass a practical and theoretical examination. In the spa industry, most existing credentials and certifications tend to be technical in nature (like CIDESCO), and the industry is therefore less familiar with the practice of granting supervisory- and management-level credentials (like the ISPA/AHLEI CSS certification).

Certified Spa Supervisor (CSS) Credential and Spa Management Area of Specialization Certificate, ISPA/AHLEI

Industry-developed management credentials (based on in-person or distance learning modules)

Websites: <http://www.experienceispa.com/education-resources/certification/>
<http://www.ahlei.org/content.aspx?id=1464>

The initial development stages for ISPA/AHLEI's *Certified Spa Supervisor* program took place 8-9 years ago, when John Korpi (then head of the ISPA Foundation) approached the American Hotel & Lodging Institute (AHLEI) to help develop some educational and professional development materials targeting spa management personnel. AHLEI was a logical partner for such an endeavor, because of its strong reputation for providing premier industry-based training resources and certifications in the global hospitality sector for over 50 years. AHLEI worked with ISPA to modify its *Supervisory Skills Builders* workbook series for the spa industry (the original version of these workbooks is the basis for AHLEI's highly-regarded *Certified Hospitality Supervisor* program). *Supervisory Skills Builders for the Spa Industry* is a 9 workbook program with leader's guides, which participants can take as self-study or in a facilitated learning environment.

Following the development of the *Skills Builders* workbook series, ISPA and AHLEI launched the **Certified Spa Supervisor (CSS) credential** in 2004. CSS requires participants to pass a 100-question examination (and exam candidates complete the workbook series to prepare for the exam). To qualify for the CSS credential, participants must have worked for at least 3 months in a spa supervisory position, or alternatively must obtain full-time employment in a spa supervisory position within 6 months of passing the exam.

In addition to the *Supervisory Skills Builders* workbooks, ISPA has worked with AHLEI to develop and publish a range of other textbooks and educational materials focusing on spa management-related topics. Building upon these materials, ISPA/AHLEI have recently developed a new spa management credential – the **Spa Management Area of Specialization certificate**. Targeting both university/college hospitality management programs and persons working in spas or hotels, the program involves a 5-course curriculum that is based on the ISPA/AHLEI spa management texts and courses: *Spa: A Comprehensive Introduction*; *Retail Management for Spas*; *Financial Management for Spas*; *Supervision in the Hospitality Industry* (OR *Supervisory Skills Builders/CSS*); and either *Risk Management for Spas* or another AHLEI course. Students must pass examinations for five courses to be awarded the *Spa Management Area of Specialization certificate*.

C. Availability of educational and training materials

An issue closely related to the availability of spa management-related degree programs and continuing education/training providers is the availability of books, textbooks, manuals, and other reference materials for teaching such courses and training sessions. Many of the school representatives and training providers interviewed for this study indicated that there is generally a lack of good resources and materials to be used for teaching courses related to spa management. Many private companies that provide training have developed their own proprietary materials for their courses, while quite a few schools also prepare their own course materials (drawing upon online resources, journal articles, and faculty-developed materials and teaching modules, rather than textbooks).

The dearth of good educational and training materials on the spa industry and spa management topics is closely related to the newness and rapid growth of the spa industry – there simply has not been enough time for researchers and authors to respond to the growing demand for such materials. There have, however, been a number of notable efforts in recent years to develop spa industry-focused materials that can support management-level education and training, as highlighted in the box on the following page. The highlighted initiatives are clearly not the only organizations and people who have been involved in developing spa management educational/training materials, but the research team has chosen to highlight these simply as examples of the myriad avenues by which high-quality spa management books and materials can potentially be developed (e.g., by an official industry association/organization; by joint efforts of experienced industry leaders/thinkers; and/or through the efforts of an academic faculty member who teaches in the spa field).

As part of the research efforts for this study, the SRI research team has compiled an inventory of the various books and materials that are available in the marketplace that could potentially be used for spa-management training. These books and materials can generally be classified into five categories:

1. **Books about the spa industry in general** (approximately 6 books)
2. **Books about the wellness and medical tourism industries in general** (approximately 10 books)
3. **Books/manuals about spa management and business topics** (approximately 76 books/manuals)
4. **Books/manuals targeting massage therapists, about business/entrepreneurship topics** (approximately 18 books/manuals)
5. **Books/manuals about business/management/entrepreneurship in spa-related industries** (including salon management; health/fitness club management; and holistic/complementary/alternative medicine) (18+ books/manuals – *only selected titles were included in the inventory*)

Samples of Recent Initiatives to Develop Spa Management-Focused Educational and Training Materials

- ISPA and the ISPA Foundation have invested significant time and resources into addressing the market gap for spa management educational/training materials by developing and publishing a series of textbooks in collaboration with the American Hotel & Lodging Educational Institute (AHLEI). This effort is particularly notable because, to date, ISPA is perhaps the only official spa industry organization to put attention on addressing the spa management workforce talent gap at the industry-wide level.³³ The books were developed and published sequentially over the last 5-10 years and focus on topics that were identified by ISPA as key areas of concern and skills gaps among spa industry members. Titles include the following: *Uniform System of Financial Reporting for Spas* (2005); *Retail Management for Spas* (2005); *Spa: A Comprehensive Introduction* (and companion DVD, 2008); and *Financial Management for Spas* (2011); as well as the *Supervisory Skill Builders for the Spa Industry* (9 workbooks and leader's guides), and the *Risk Management for Spas* online module. The effort was largely the brainchild of John Korpi (formerly ISPA and ISPA Foundation President) and was supported by a task force of experienced industry professionals. Unfortunately, these books and materials do not yet seem to have widespread recognition and adoption among industry and training providers. According to AHLEI, in 2011 there were 31 universities/colleges/schools in the United States and 20 schools and private companies internationally that placed orders for ISPA/AHLEI's spa-focused books, but it is not possible to know the extent to which these materials are actually integrated into spa-focused courses and degree programs.
- Also in response to the market gap for books and academic publications on spa, Professors Marc Cohen (RMIT University, Australia) and Gerard Bodeker (Oxford and Columbia Universities) jointly launched an effort to develop and publish an analytical reference book on the spa industry. Cohen and Bodeker served as editors of the book, gathering a series of chapters authored by experienced spa industry leaders and executives from around the world – people who have a wealth of in-depth understanding and experience to contribute to such a work, but who would not likely have the time to publish books and materials on their own. *Understanding the Global Spa Industry: Spa Management* was published by Elsevier Press (a leading academic publisher) in 2008.
- Professor Mary Wisnom, Spa Management Coordinator and Professor at Florida Gulf Coast University, and Lisa Capozio (Vice President of Education for Sundari LLC, an Ayurvedic wellness, skin, and body care company based in Long Beach, California) have recently published a spa management textbook entitled *Spa Management: An Introduction* (Prentice Hall, 2011). According to Professor Wisnom, the idea for the book was sparked while she was building the curriculum for FGCU's spa management concentration several years ago – she found it was “frightening” how few resources were available for teaching about spa management, and subsequently decided to develop her own textbook. The textbook is currently used in one of FGCU's spa management courses and will likely be of use for other universities/colleges teaching such classes.

³³ More details about ISPA's efforts to support spa management-related training and education are provided in Section IV.B.

Based on the interviews and surveys conducted for this study, the SRI team believes that most of these books and materials have very little recognition and awareness among most spa industry members, school faculty, and training providers. For this reason, we are providing a full list of the spa management-related books and educational materials available in *Appendix D* of the report. While the research team has reviewed only a small selection of these books and materials (so their content and quality is uncertain), we provide this list as a general reference for industry stakeholders, schools, and trainers who may be in search of spa management-relevant materials.

V. The Spa Management Workforce System: Spa Businesses and Industry Leaders

Key Findings

1. While most spas believe that on-the-job learning and mentoring are the most important ways for spa managers/directors to gain skills, most spa businesses are not investing significant resources and efforts into training and professional development activities for their management personnel.
2. Most training for spa managers/directors is done when people are first hired, but few companies provide training beyond that point. Most training is done entirely in-house. Relatively few companies utilize online/distance learning for their spa managers/directors (even though this model can be both time- and cost-effective), and few draw upon external training providers or externally-developed training materials (even though there is a growing range of training companies and resources available in the marketplace).
3. Training is most effective when it is approached not as a one-off or occasional offering, but rather as one component of a coordinated and proactive approach towards talent, leadership, and human resource development. To address the management talent gap, spas need to invest more resources and attention into these activities for their employees at all levels. Lower-level spa employees and therapists especially need to be mentored and trained to prepare them to move into management-level positions.
4. Most of spa management-related degrees, continuing education programs, and resources that have been launched over the last decade are very fragmented, and very few industry members around the world are aware of them. In order to address the spa management talent gap, spa businesses, industry leaders, and industry organizations need to do a better job working together cooperatively to build awareness of these existing resources and promote their adoption; to advocate for development of new educational programs and resources; and to make education/training and workforce development a top priority for the industry.

Spa businesses and industry leaders are the third critical link in the spa management workforce development system/network. The role of businesses is to ensure that their employees have a well-developed support system, training opportunities, and professional development pathways as they advance to higher-level jobs within a company (and eventually into management-level positions). No matter how good the curriculum of a spa management-related degree program is, and no matter how many internships and practical work experiences a student completes during his/her education, it is generally unrealistic to expect that a graduate would be prepared to immediately enter a management-level position and be able to skillfully assume all the responsibilities of an experienced manager. Likewise, a spa therapist or other lower-level spa

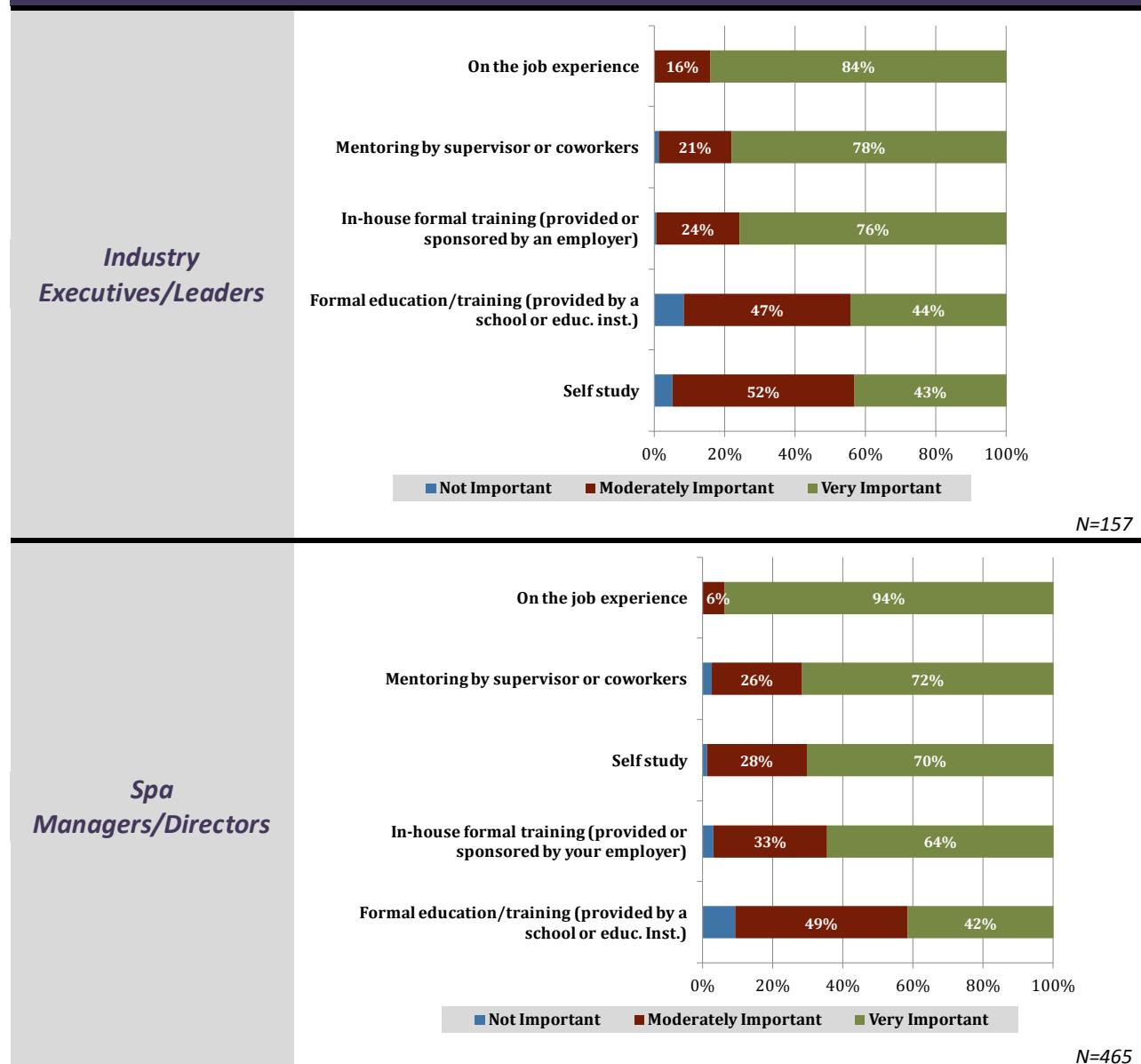
employee moving up the ranks into a management-level job, typically with little to no experience or training in business management, cannot be expected to succeed in a management position without significant mentoring, training, and support. Even an experienced spa manager/director hired from another spa company (or an experienced manager hired from another industry) can benefit from ongoing skills development and is likely to need training in the operational/management approach used in his/her new job.

Continuing education, mentoring, professional development pathways, and succession planning are critical for all levels of spa employees, if spa businesses want to ensure that they have the best possible spa management workforce. Evidence across many industries has shown that companies that take the most proactive approach to these activities, and that invest in human resource development as a core part of their business strategy, are likely to have the most effective, efficient, and dedicated employees (some of this evidence was presented in *Section II* of this report). Human resource development is even more critical in a service- and experience-based industry like spa, in which companies derive their competitive advantage largely from the skills, knowledge, and professionalism of their employees.

As shown in the chart on the following page, most spa industry leaders agree that on-the-job experience, mentoring, and training are the most critical ways for spa managers/directors to gain essential job skills/knowledge. Spa managers/directors themselves also rate on-the-job experience and mentoring as the most important channels to gain their skills, but, interestingly, they rate self study as more important than on-the-job training for building skills – possibly because spa managers/directors have not received sufficient in-house training, and/or because the training they have received has been only moderately useful.

How important are the following channels for spa managers/directors to gain their knowledge and skills?

From the perspective of:



In spite of the perceived importance of on-the-job learning and mentoring for spa management personnel, anecdotal evidence from the interviews conducted for this study indicates that most spa businesses are not investing significant resources and efforts into human resource development activities. Some spa companies tend to assume that their management-level employees should already have enough experience that they do not need such training and support – but this is certainly not the case for a large share of the spa management workforce. It

is the combination of the huge skill set and challenging work conditions for spa managers/directors, an insufficient number and range of relevant educational programs, and *a lack of sufficient investment in management-level training and human resource development at spa businesses* that together contribute to the spa management talent gap currently faced by today's spa industry.

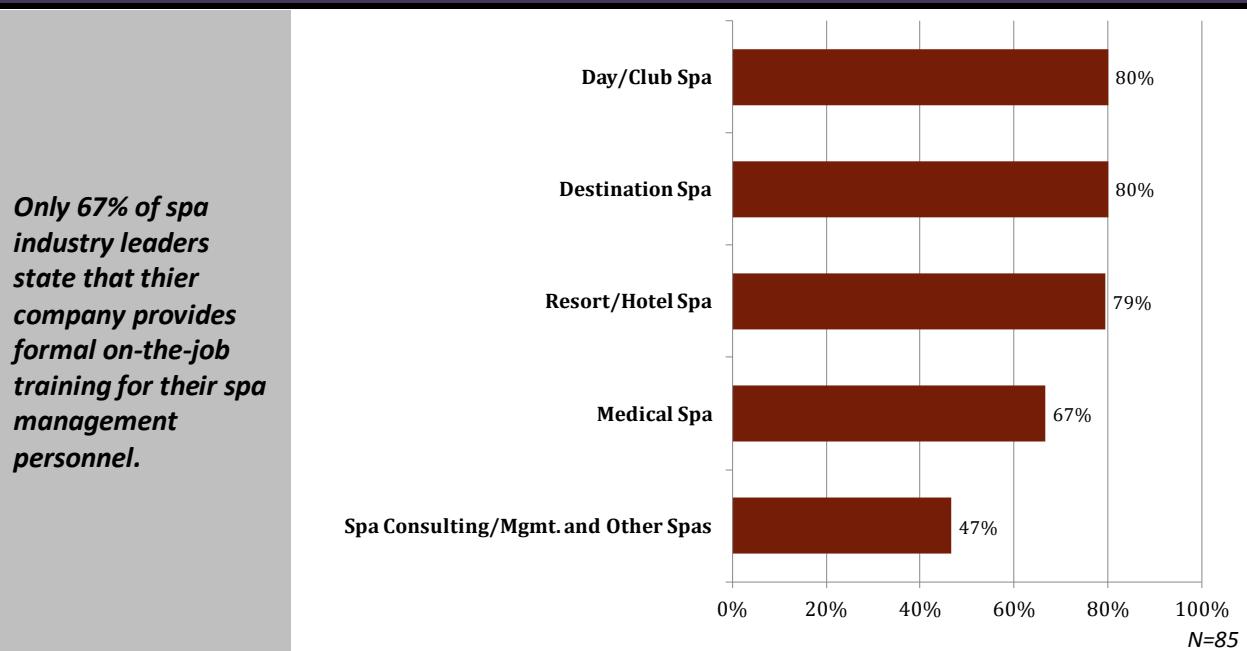
A. Provision of on-the-job training in spa businesses

1. *Extent of on-the-job training provided*

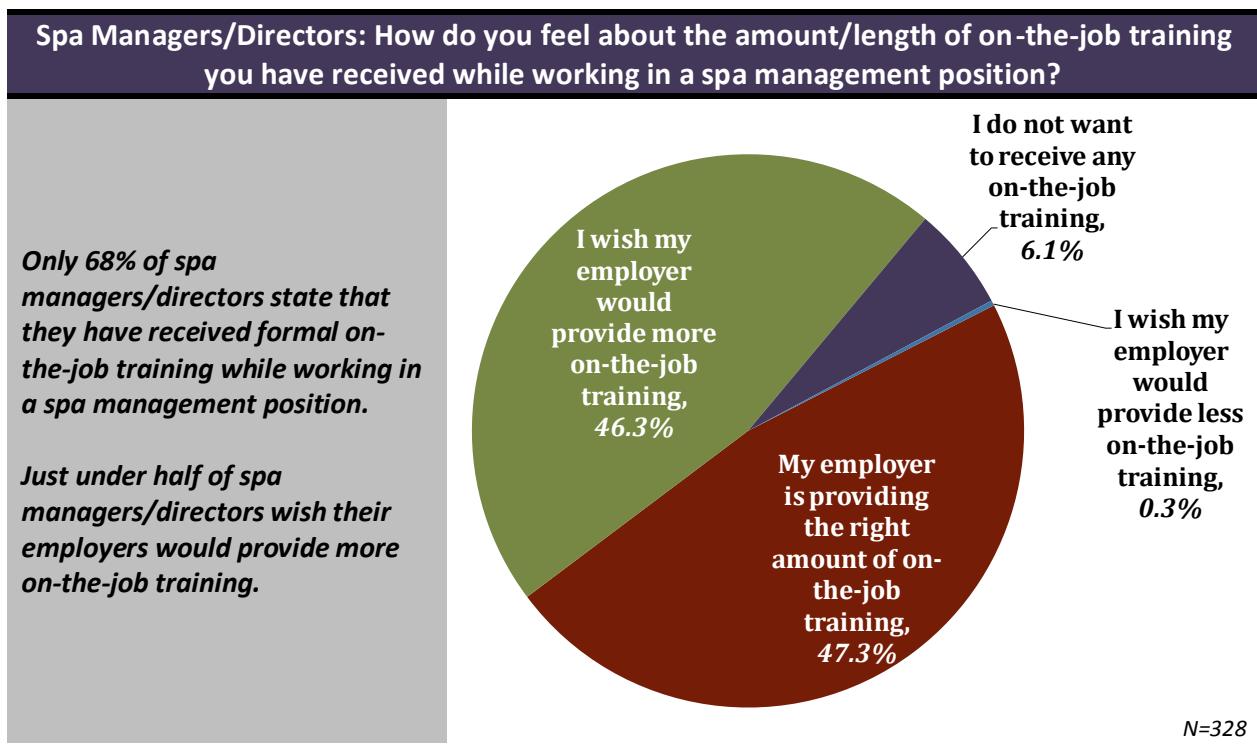
There is a general perception in the spa industry (based on the interviews conducted for this study) that spa companies do not provide enough training for their management personnel. The in-house employee training activities that do exist tend to be focused primarily on entry-level and therapist-level positions, while relatively fewer companies seem to provide such support for management-level positions (or the training that is provided at the management level is significantly less than what is provided to therapist-level positions). Results from the surveys conducted for this study generally confirm this perception.

Among the surveyed industry leaders/executives who hire or supervise spa managers/directors, only 67% stated that their company provides formal on-the-job training for their spa management personnel. The provision of training varies by type of spa (as shown in the chart on the following page), with a higher proportion of companies providing training among the day/club spa, hotel/resort spa, and destination spa segments. Among the respondents who stated that their company *does not* provide training for spa managers/directors, their reasons for the lack of training were evenly distributed across the following answers: "Too expensive," "Not enough time," and "There are no training programs or materials available that would be useful for my business's spa managers/directors."

Industry Leaders: If you currently work in a capacity in which you hire/oversee/supervise spa directors/managers, does your business provide any kind of formal on-the-job training for your spa managers/directors? (% answering yes)



Similarly, 68% of the spa managers/directors surveyed stated that they have received on-the-job training while working in a spa management position. Among these, 72% feel that their on-the-job training has been very useful (“critical for helping me do my job better”), while 27% feel it has been moderately useful (“My on-the-job training has been moderately useful, but I still have had to learn a lot on my own or through other formal training”). As shown in the chart on the following page, approximately half of the surveyed spa managers/directors feel that their on-the-job training has been sufficient in amount/length, while half wish that their employers would offer more training.



2. Types of on-the-job training provided

Most spa companies that provide training for their management-level employees tend to do so entirely in-house – they conduct in-person training sessions that are led by in-house trainers, and they typically develop their own training materials and curricula (as shown in the chart below). Relatively few companies utilize online/distance learning for their spa managers/directors, and few draw upon external training providers or externally-developed training materials.

According to spa managers/directors, the most common form of training they receive is for new employees, when first starting out in a job (half of the survey respondents received this kind of training). Only one-quarter to one-third of the survey respondents have received any other type of training, including short seminars/workshops (a few hours in length), longer seminars/workshops (1 day, a few days, or one week), or online courses/webinars (see chart on the following page).

Industry Leaders: What kinds of formal on-the-job training do you provide for your spa managers/directors? (check all that apply)



Spa Managers/Directors: What types of on-the-job training and education have you received while you have been working in a spa management position? (check all that apply)



3. Priorities for future on-the-job training

In terms of the content of on-the-job training, the most common areas in which spa managers/directors have received training (as highlighted in the table below) include: understanding of spa modalities, customer service/guest relations, leadership, teamwork, safety/hygiene, communications, and operations management. The top areas in which spa managers/directors would like to receive additional training in the future (also highlighted in the table below) include: strategic planning, IT skills, public relations/promotion, revenue management, legal/regulatory compliance, financial management/accounting, and sales/marketing/retail. Note that the areas in which spa managers/directors feel they have received adequate training are largely (but not exclusively) in the soft skill areas, while the areas in which they would like to receive more training are largely in hard skills.

Spa Managers/Directors: What kinds of skills have you learned through on-the-job training, and/or what kinds of skills would you like to learn in the future through on-the-job training? (check all that apply)			
	Want to receive training in future	Have received training	Have not received training and don't need to
Strategic planning skills	26.9%	32.2%	6.2%
IT skills	25.6%	25.6%	14.1%
Public relations/promotional skills	25.2%	35.2%	6.6%
Revenue mgmt. skills	22.6%	38.2%	6.0%
Legal/regulatory compliance	22.4%	32.2%	8.7%
Financial mgmt./accounting skills	22.0%	40.3%	5.5%
Sales/marketing/retail skills	21.1%	39.9%	5.8%
Human resource skills	18.1%	40.3%	7.9%
Time mgmt./multi-tasking skills	17.3%	37.7%	9.4%
Operations mgmt. skills	15.6%	42.6%	7.5%
Problem solving skills	14.7%	40.9%	9.4%
Safety/hygiene skills	14.3%	43.7%	7.0%
Communication skills	14.3%	42.6%	8.5%
Leadership skills	12.8%	46.1%	7.5%
Ethics	12.2%	40.9%	10.0%
Teamwork skills	10.9%	45.0%	8.7%
Understanding of the technical aspects of spa treatments/modalities	10.7%	48.8%	7.0%
Customer service/guest relations skills	10.0%	48.4%	8.5%

Interestingly, the areas identified by spa managers/directors as their priorities for future on-the-job training correspond almost exactly with the key spa management education/training gaps and weaknesses identified by industry leaders (as discussed in *Section III.D.*) – see table below. This table should be useful to spa companies, educational institutions, and training providers alike in identifying the highest-priority areas in which spa management personnel need to ramp-up their skills and receive increased and improved training in the future.

Training Gaps and Future Training Priorities Identified by both Industry Leaders and Spa Managers/Directors Are Remarkably Similar

<i>Spa Managers/Directors</i> Priorities for Future On-the-Job Training	<i>Industry Leaders/Executives</i> Key Spa Management Training Gaps
1. Strategic planning skills	1. Strategic planning skills
2. IT skills	2. IT skills
3. Public relations/promotional skills	3. Revenue management skills
4. Revenue management skills	4. Legal/regulatory compliance
5. Legal/regulatory compliance	5. Public relations/promotional skills
6. Financial management/accounting skills	6. Financial management/accounting skills
7. Sales/marketing/retail skills	7. Practical/on-the-job experience; Leadership; Problem-solving (tie)

B. Approaches for human resource development in spa businesses

On-the-job training is a critical component of professional development for management personnel, but it is not the *only* component of professional development. Training is most effective when it is approached not as a one-off or occasional offering, but rather as one component of a **coordinated and proactive approach towards talent, leadership, and human resource development**. In addition to the need for more on-the-job training for spa management employees (as elaborated in the previous section), anecdotally most industry leaders feel that spa businesses are generally not investing sufficient resources and attention into human resource development activities. When asked in interviews to identify spa businesses that are doing a “good job” or being “proactive” in developing and nurturing their management workforce, most industry executives could name only one or two companies – or none – and most stated that even their own company is not doing enough in this arena.

What is Human Resource Development?

Human resource development includes training an individual after he/she is first hired, providing opportunities to learn new skills, distributing resources that are beneficial for the employee's tasks, and any other developmental activities.³⁴

~BusinessDictionary.com

Human Resource Development (HRD) is the framework for helping employees develop their personal and organizational skills, knowledge, and abilities. Human Resource Development includes such opportunities as employee training, employee career development, performance management and development, coaching, mentoring, succession planning, key employee identification, tuition assistance, and organization development.

The focus of all aspects of Human Resource Development is on developing the most superior workforce so that the organization and individual employees can accomplish their work goals in service to customers.³⁵

~Susan M. Heathfield, management and organization development consultant (About.com)

³⁴ See: <http://www.businessdictionary.com/definition/human-resource-development-HRD.html>

³⁵ See: http://humanresources.about.com/od/glossaryh/f/hr_development.htm

1. Examples of human resource development approaches among spa businesses

Most industry interviewees felt that spa businesses would benefit from learning about what other companies in the industry are doing to support human resource development (HRD) among management-level employees, and/or learning about what “best practice” approaches can be used. In response to this suggestion, the SRI research team has prepared short profiles of 5 spa companies that were identified by industry interviewees/peers as being relatively proactive in nurturing and developing their management workforce. These 5 profiles are certainly not the only companies in the spa industry that are doing a good job at human resource development – they are merely intended to provide a sampling of approaches currently used by spa companies to coordinate management-level training, mentoring, and talent development.³⁶ This is only a first-step in exploring successful approaches to spa management human resource development; additional research and preparation of company profiles and best practices could certainly be a beneficial initiative for the industry to pursue in the future.

³⁶ There were other spa companies mentioned in SRI’s interviews as possible “leaders” in management, training, and human resource development, but the research team’s ability to prepare these company profile was limited to companies with whom we were able to schedule personal telephone interviews to gather the necessary information.

Glen Ivy Hot Springs, Inc.

Summary of HRD Practices:

- Strong emphasis on continuing education for management personnel: all senior leaders (from line-level supervisor through CFO) must complete ISPA's CSS program.
- Company sponsors employees to take online courses through UC Irvine's spa management certificate program and through ISPA.
- All full-time massage therapists must have national certification prior to being hired (and get first priority in scheduling); part-time therapists must attain national certification in 6-9 months after hiring.
- Seeks to be a "destination employer" and utilizes national recruitment.

Glen Ivy Hot Springs, Inc. operates a historic Hot Springs day resort and a traditional day spa in Southern California, employing 450 people, serving 250,000 guests annually, and performing over 140,000 spa services per year. They express a strong value for and commitment to continuing education for all of their employees. CEO Jim Root commented that Glen Ivy seeks to "be a career of choice, not just an employer of choice" and aims to be a "destination employer" so that people across the country would seek to come to Glen Ivy for any open position at any level. As part of their commitment to professional development at all levels of the organization, Glen Ivy now requires that their full-time massage therapists already have national certification prior to being hired, and all part-time massage therapists must agree to attain their national certification in 6-9 months. In accordance with this, Glen Ivy has also shifted from a seniority system to a priority system for scheduling: full-time massage therapists (who are required to be nationally certified) have first priority on the schedule, and this guarantees them full-time work. As a result of raising the bar by requiring national certification, Mr. Root reports that they have observed positive impacts on culture, performance, and quality, and that the caliber of applicants has increased significantly: Glen Ivy is now getting applicants from across the country, whereas in the past recruiting local applicants was challenging.

At the managerial level, Glen Ivy also promotes continuing education, by having all of the senior leaders (from line-level supervisor up through CFO, and across all departments) complete ISPA's *Certified Spa Supervisor* (CSS) program. There have been six cohorts, or classes, that have completed the CSS program at Glen Ivy. The CSS classes are comprised of a mix of employees, cutting across departments and levels (the most recent class included the Executive Chef and the Director of Landscape and Sustainability), and Glen Ivy finds that this is effective in building community by nurturing relationships and connections that would not otherwise exist. Also, different teams of employees take turns teaching different segments of the CSS textbook, which gives them an opportunity to be creative in the delivery of the material and allows people to use real-life examples drawn from their own work experiences as teaching tools. Glen Ivy also sponsors employees to take online courses in the UC Irvine Extension *Spa and Hospitality Certificate Program* and the ISPA *Retail Management Course* as well.

Glen Ivy believes that investment in continuing education is a key satisfaction driver of quality experiences for guests, which in turn drives fundamental and positive organizational change and directly improves both short- and long-term financial performance. Continuing education is a key tenet in Glen Ivy's strategic plan and for a number of ongoing initiatives.

ESPA International

Summary of HRD Practices:

- Developed own internal spa management training program, in addition to extensive training programs for therapists.
- Company conducts regular reviews of therapists and other personnel to identify internal candidates with management potential, and then sends these people through internal management training to groom them for promotion.
- All employees participate in an intensive week-long course to learn about the company's philosophy and products.

ESPA International positions itself as a “total spa solution company,” offering spa design, management, and ongoing support services (they currently manage 250-350 spas worldwide); recruitment; and its own skincare products and treatments. Along with these services and products, ESPA also offers post-graduate therapist training globally, with over 2,000 therapists graduating from their training schools every year. Internally, all employees participate in ESPA’s “Essentials Training,” an intensive week-long course, to learn about the company’s philosophy and products.

ESPA has also developed its own internal spa management training program because, according to ESPA founder Sue Harmsworth, they have found it difficult to recruit spa management personnel externally due to a dearth of strong spa management educational programs. They have generally found that curricula are not in sync with industry needs (generic MBA and hospitality programs are not tailored enough to the spa industry’s needs), and/or salary expectations of graduates from these programs are too high. To identify internal candidates with management potential, ESPA conducts regular reviews of their personnel. As part of the grooming process for management, therapists identified as having management potential go through ESPA’s internal spa management training program, which includes modules such as computer skills, financial skills, rostering (scheduling), and stock control and rotation. The spa management training modules are taught online by senior leaders in ESPA, to allow personnel to continue learning while on the job.

Fairmont Raffles Hotels International

Summary of HRD Practices:

- Developed own 10-14 day training program for spa directors, covering 9 modules, which helps the company promote management personnel from within.
- Management training program is being transitioned to an online format, so it will be more accessible to other employees.

Fairmont Raffles Hotels International (FRHI), a leading global hotel chain whose spa portfolio includes the Willow Stream Spa, Raffles Spa, and Purovel Spa & Sport brands, considers itself to be one of the first organizations to emphasize the business side of the spa industry and to view its spa leaders as business leaders, according to Anne McCall Wilson, Vice President Spas. Wilson commented that spa directors are faced with the complex challenge of overseeing employees in a wide variety of roles, as opposed to managing a number of workers in the same role, which is more common in other industries. Spa directors also have to both strategize about how to drive revenue and business, as well as develop relationships with customers.

FRHI has developed its own 10-14 day mandatory training program to support and initiate its spa directors; this program has been critical to promoting from within and building a spa management career path. The program covers 9 modules, including topics such as: expectations of FRHI spa leaders, branding, marketing (including developing a marketing plan and analyzing market research), strategic planning, tools for marketing and public relations, monthly reporting, business planning (including packaging and pricing), and guest experience. Spa directors are expected to develop and present a marketing plan by the end of the program. The training program is now being transitioned from the traditional face-to-face format to an online format (with webinars, online tests, and other online materials and resources), so that it will be accessible to more employees, not just spa directors.

Red Door Spa Holdings

Summary of HRD Practices:

- All general and assistant managers are completing ISPA's CSS program.
- Managers have extensive access to company metrics to help them gauge and improve their own management performance.
- Managers receive training in annual management conferences, as well as bi-monthly webinars.
- Extensive focus on identifying core competencies for managers and building this into HRD practices.
- Managers are tasked with their own succession planning, helping the company build an internal pipeline of management candidates.

Red Door Spa Holdings is comprised of Elizabeth Arden Red Door Spas, which has 30 day spa and resort locations in North America, and Mario Tricoci Hair Salons & Day Spas, with 17 locations in the Greater Chicago metropolitan area. Red Door's leadership training program has evolved over time and has recently become more formalized, according to CEO Todd Walter. Historically, Red Door has held annual conferences for spa personnel at each management level (i.e., general manager, guest service manager, etc.), which include training and development opportunities. In 2012, Red Door is now working with ISPA and is putting all of its general managers and assistant general managers through ISPA's *Certified Spa Supervisor* (CSS) program.

In addition to leadership training, Red Door has developed and refined a set of metrics that are meaningful to running and monitoring a spa business. Red Door is training its general managers to use these metrics, which are now reported through its automated systems, to identify opportunities and focus on needs. Every general manager has access to all information about every spa, allowing him/her to assess how his/her unit is doing relative to its peer group. While a general manager is ranked against his/her peers on the basis of these metrics, performance is primarily gauged on whether managers demonstrate continuous improvement relative to his/her own individual performance in past periods. Training on analyzing these reports is conducted during the annual general manager conferences, through symposiums where general managers are placed into smaller groups and are encouraged to share best practices, and throughout the year in bi-monthly webinars. Red Door has found the face-to-face conferences to be the most effective form of training but believes the bi-monthly webinars are an important element in its overall education program. By focusing on metrics, Red Door is able to assess the relative performance of its spas over a broad geographic area and to provide its managers with tools to help them identify opportunities and a forum for best practices within the entire portfolio of properties.

Red Door takes a coordinated approach to manager recruitment and hiring, seeking to fill all new general manager positions and unit openings through an internal pipeline – believing that internally-developed managers have the best understanding of the company's culture, systems, and success factors. A typical career path is to start as a front desk/guest service representative, then guest service manager, then assistant general manager, then general manager, with increasing levels of responsibility in each position – and staff are often moved across locations as they move through this pipeline. In each position, staff are tasked with their own succession planning – providing training and mentoring to the person in the position below them so that each will be ready to move up when the time comes. Red Door has also carefully studied the core competencies of its most successful managers, and then builds those competencies into its internal staff development programs and even screens for those competencies up front when hiring new personnel at any level.

WTS International

Summary of HRD Practices:

- New spa directors attend “WTS University” – a one-week intensive, in-person training program.
- Spa directors receive ongoing professional development support through site visits, regional meetings, webinars, and teleconferences.
- The company has developed a “Knowledge Network” – an online platform that provides extensive informational resources and information-sharing/discussion platforms for management personnel, to support them in their work.

WTS International is a leisure firm that provides consulting and management services to the spa industry, as well as the fitness and activities industries. Clients include hotels and resorts, day spas, golf clubs, condo hotels, and luxury residential properties throughout the United States and abroad. WTS is currently managing approximately 50 spas.

WTS strongly values and emphasizes continuous training and development for its employees. Their training covers many facets of spa management, with two main emphases: how to effectively operate a spa as a business, and how to create a meaningful guest experience. Training topics include guest relations; financial management and accounting (including revenue and expense management); marketing and sales; retail display; sales and merchandising; IT and data management; front desk and administration; and spa safety, sanitation, and maintenance.

WTS spa directors first go through “WTS University,” an initial one-week intensive face-to-face training program. Once spa directors have completed this training and they are deployed to their respective sites, WTS continues to provide ongoing training and professional development support through site visits, regional meetings with senior leaders, webinars, phone calls, and email, as well as the “Knowledge Network,” a proprietary online system the company developed five years ago.

Through the “Knowledge Network,” WTS spa directors can communicate interactively with each other as well as with corporate staff. They can get advice and share ideas in a matter of minutes by posting questions on a wide range of topics on the online discussion board. Spa directors also can keep up-to-date on industry trends through information-sharing on this platform. The “Knowledge Network” also houses other electronic resources, such as an extensive photo/graphics database and a collection of ready-made templates for marketing/promotional collateral. According to WTS President and founder Gary Henkin, by making all these resources readily available, the “Knowledge Network” is intended to provide “shortcuts to the process by which spa directors and staff are educated and trained to operate their businesses successfully.”

2. Guidelines and best practices for management and human resource development in the spa industry

Human resource development, leadership development, and talent management are highly-developed and heavily-researched fields of study, and there is a wealth of resources available to spa companies who are interested in ramping up their investments in these activities. It is beyond the scope of this study to provide an extensive, in-depth examination of what spa businesses are and should be doing with regards to human resource development – that is a subject for another study altogether. We present this topic here, however, to emphasize the **critical importance of investing in proactive human resource development activities in order to address the spa management talent gap.**

As illustrated in the spa company profiles presented above, there are a huge range of approaches that can be used to train, nurture, and provide professional development pathways for spa management personnel. Based on SRI's interviews with spa industry leaders as well as a review of the extensive literature on the subject, we provide below some guidelines and suggestions for human resource development activities that could be employed by spa companies to help address their management talent and skills gaps.³⁷

Clearly specify management competencies for your company. Carefully define and prioritize the management/leadership skills and competencies required by your company, as well as how these competencies align with the company's overall business strategy. Based on this process, identify the desired outcomes from your management personnel and use these to provide ongoing feedback, to build individualized skills development plans, and to specifically monitor and track management performance.

Actively and selectively recruit new talent. Use your company's identified management skills/competencies to selectively recruit and screen new hires (even for lower level positions), as this can set expectations high from the very beginning. Approach employee and management recruitment like marketing and sales – be persistent and always be “on the prowl” for top talent (both within and outside your company).

Create an “Employee Value Proposition” for your company. Identify why a talented person would want to work for your company. What makes your business a great place to work? Perhaps your company offers a high level of job security or extensive mentoring/training

³⁷ The guidelines listed here were adapted by SRI from a wide range of sources, including the following: Jeffrey Pfeffer, *Competitive Advantage Through People: Unleashing the Power of the Work Force*, Harvard Business Press: 1996. McKinsey & Company, *The War for Talent*, April 2001, http://autoassembly.mckinsey.com/html/downloads/articles/War_For_Talent.pdf. Bersin & Associates, *Leadership Development: The Six Best Practices*, Jan. 26, 2008, <http://joshbersin.com/2008/01/26/leadership-development-the-six-best-practices/>. Leadership Excellence, *50 Best Practices in Leadership Development*, http://www.leaderexcel.com/best_practice.html. ECornell, *Building a Management Development Program: 8 Best Practices*, <http://sha.ecornell.com/assets/PDFs/Enterprise/Building-a-Management-Development-Program-8-Best-Practices.pdf>. Center for Applied Research, *Briefing Notes: Best Practices in Professional Development*, 2003, <http://www.cfar.com/Documents/bestpractices-gen.pdf>. The Management Leadership Network website, <http://www.mln.org.uk/>.

(indicating that you have a high level of commitment to your employees); perhaps your company can offer clearly defined upward career pathways; or perhaps your company can offer a high quality-of-life by not ascribing to the 10 hour days and 6 day weeks that seem to be typical for spa management workers. Note that younger professionals tend to be drawn to two different kinds of companies: those with a great reputation in their field/industry, and the smaller, and maybe less reputable, companies that can offer younger professionals a broader range of opportunities.

Provide continuous training and skill development opportunities. Training should be provided to all levels of employees (and tailored to each level) and should employ a regular and coordinated approach (not approached as a once-off or occasional thing). Use multi-faceted learning approaches in training sessions (e.g., experiential learning, classroom instruction, e-learning, case studies, group exercises, etc.). Recognize that people often learn best when they can apply their learning, so use cases, simulations, and “action learning” (where groups of employees work together to solve real-life problems in their jobs). If your spa company is too small to have the resources to develop in-house training, draw upon the wealth of outside continuing education providers that are available for spa management training (including school-based continuing education modules, private training companies, and industry-based certifications from ISPA/AHLEI).

Be proactive in succession planning and promotion from within. Internal promotion into management roles can be a highly effective way to groom future leadership and build employee loyalty to your company – and this approach is already widely used within the spa industry. Internal promotion is most effective when it is partnered with an active approach towards succession planning, and when company leaders value and continuously try to bolster talent. Employees should be tasked with mentoring and training the workers in positions below them (grooming their future replacements). Use rotational assignments to expose future managers/leaders to different aspects of the spa business.

Provide high wages and performance-based pay. As with other products/services, when it comes to employees companies tend to “get what they pay for.” Offering high wages sends the message that your company values its employees, can reduce employee turnover, and can help with recruiting outstanding job applicants; the higher costs are typically offset by enhanced employee performance. Companies that do not pay above-average wages are likely to need an especially strong “employee value proposition” (see above) to attract top talent and offset the wage differential. Performance-based pay and incentive pay can also be useful ways to motivate, reward, and invest in top-performing staff.

Engage company executives in leadership development. To be most effective, leadership development should be driven from the top down, with executive-level leaders fully engaged in and committed to the process. They should be involved in the process of identifying the

company's core management competencies, in designing and presenting training curricula, and in coaching/mentoring future management leadership.

Provide information sharing, participation, and empowerment to your employees. Many successful companies have decentralized decision-making and engaged their lower-level managers and employees in company planning processes. Employees at all levels should be empowered to identify and recommend improvements in company operations and work processes – and they are often the best situated to do so because they are working closely with these processes on a day-to-day basis. This kind of empowerment is most effective when it is coupled with extensive information sharing tools and processes – i.e., ensuring that managers and employees have access to extensive information about the company's knowledge base, operations, performance, and other informational tools, and also have platforms through which they can communicate and share information with one another. Sharing sensitive company information (e.g., costs, profitability figures, competition/market strategies, etc.) can be an especially important way to empower managers, because it enables them to make well-informed and responsible decisions in their day-to-day jobs.

VI. Recommendations for Improving the Spa Management Workforce System

Based on the analysis presented through the report and the key identified challenges that are contributing to the spa management talent gap, this section outlines a range of industry-level initiatives that could be pursued by the Global Spa & Wellness Summit, regional industry associations, and other industry organizations in order to improve the spa management workforce system and ensure that all three key players (spa managers/directors, educators/training providers, and businesses) are working together effectively.

A. Encouraging skills development among current/future spa management personnel

- 1) **Disseminate information about existing education/training providers.** Widely disseminate information about spa management-related degree programs and continuing education providers by prominently posting information about these on key spa industry websites. The Global Spa & Wellness Summit (or ISPA or other industry organizations) could establish an education sub-section on their own website (drawing upon the information presented in the *Appendices* of this report), and the information could potentially be kept up-to-date by establishing a wiki-based format or a simple web-based feedback form. In addition to education/training program information, other industry/career information and resources could also be posted to encourage students to consider spa management careers (e.g., information about career pathways, links to online job postings, etc.). Other international and regional associations could help disseminate the information more widely by linking to the GSWS education webpage on their own websites.
- 2) **Sponsor scholarships for spa management students.** Sponsor scholarships for students in spa management-related degree programs. One example of such a scholarship is the ISPA Foundation's Mary Tabacchi Scholarship, offered to a student in a spa-related degree program with a demonstrated interest in spa management. New scholarships could be established at the industry level (through contributions), and could also be sponsored by private spa businesses.³⁸ Spa businesses might also consider contributing to school-specific student scholarships at schools with spa management offerings where they have established linkages/relationships.
- 3) **Disseminate information about spa management internships.** Widely disseminate information about spa management-related internship opportunities (and promote an increase in spa companies offering internships) by establishing a spa industry online portal for student internship postings. This portal could potentially be linked with other educational information also posted on the GSWS, ISPA, or other organization's websites (see item #1 above), or could

³⁸ More information about this scholarship is available at: <http://www.experienceispa.com/ISPAFoundation/index.cfm/ispa-foundation/initiatives/scholarships>.

also be sponsored by a spa industry company that has an existing portal for spa job listings. The portal should allow spa companies to post/update their own information about internship availability and requirements, and it should be promoted and disseminated by the industry to spa management-related schools and educational programs.

B. Engaging schools and training providers

- 4) **Engage educators in major spa industry events.** Invite more faculty, educators, and administrators from spa management-related degree and continuing education programs to attend major industry events such as the Global Spa & Wellness Summit. Also invite faculty and administrators from major hotel/hospitality management schools that do not have spa offerings, to give them exposure to the industry. Consider offering significantly reduced fees or scholarships for educators to attend such events, as persons from the academic world generally do not have access to sizable budgets for covering event fees (as compared to industry members).
- 5) **Reach out to universities/colleges/schools that already offer spa management-related programs.** Proactively reach out as an industry to universities/colleges/schools that are currently providing spa management-related degrees and continuing education. Communicate with them on a regular basis (both formally and informally) about industry trends, workforce needs, curriculum development, and other issues and areas of concern. The more direct and frequent contacts educators have with the spa industry, the more likely these programs will produce graduates and trainees with the skills needed by spa businesses. This kind of outreach can also be done by individual spa businesses and executives – reaching out to schools that are in your local region or country, or from which you have hired graduates. Offer to serve on an advisory board, be a guest speaker, take student interns, mentor students, or host student site visits.
- 6) **Encourage universities/colleges/schools to add spa management-related degrees and courses.** Proactively reach out as an industry to universities/colleges/schools that *do not* currently have spa-related offerings. Educate them about the growth and opportunities in the spa industry and encourage them to develop spa management degrees, concentrations, or continuing education programs. The spa industry may want to set up an industry-level task force or committee to make contacts with schools in an organized way. The obvious initial candidates for this outreach would be schools that already have well-developed hotel/hospitality/tourism/resort management programs, as spa management courses are most easily added as an offshoot of these kinds of programs, and there are numerous major hotel/hospitality schools around the world that do not have any spa-focused course offerings.³⁹ However, the industry also should

³⁹ Major U.S. schools with no spa-focused offerings include: UNLV, Cal Poly Pomona, University of Denver, Penn State, Michigan State, Ohio State, University of Central Florida, Purdue University, and many others. Major international schools include: Les Roches (France), Vatel International Business School (France), Glion Institute (Switzerland), Hotelschool The Hague (Netherlands), International University of Applied Sciences-Bad Honnef (Germany), Institut de tourisme et d'hôtellerie du Québec (Canada), INACAP (Chile), Universidad San Ignacio de Loyola (Peru), International Hotel School South Africa, Australian

not overlook technical schools and community colleges (offering 2-year associate's/foundation degrees), as these kinds of schools may be more receptive to developing new programs that can build enrollment and could potentially be more likely to produce the kinds of graduates needed by the spa industry.

- 7) Encourage spa therapy schools to add management/business coursework to their curricula.** Proactively reach out as an industry to major spa therapy training schools and encourage them to add management/business coursework to their therapy curricula. As mentioned previously in this report, this could be accomplished with relatively little investment of resources if spa therapy schools partnered with other schools that already have a spa management program/curriculum in place to offer joint degrees, or alternatively purchased or licensed a pre-existing business skills curriculum or training materials from another school/training provider or from ISPA/AHLEI. There are hundreds (or even thousands) of spa therapy training schools around the world – if each one added one or two modules on management/business it could make a huge impact on building a foundation of skills among spa therapists who may advance to be the industry's future managers.
- 8) Study and disseminate “best practices” in spa management education/training.** Consider convening an industry committee or task force on spa management education and training “best practices” to support ongoing research and evaluation of what are the most effective approaches for training current and future spa management personnel. This could be especially useful as universities/colleges/schools and continuing training providers continue to launch new programs and modify/adapt existing programs. The spa management program/curriculum recommendations and guidelines presented in this report could serve as a starting point for discussion and further research among this committee. Another topic for discussion could be the potential for future development of an industry-level accreditation for spa management training programs/curricula that meet industry standards for quality and content.
- 9) Establish an online forum for education-related exchanges.** Consider establishing an Internet-based forum or portal on spa management-related education, and actively recruit participation from spa industry members, educators, and training providers. The online forum could serve as a simple, informal mechanism for industry, educators, and trainers to exchange ideas and solicit feedback from one another (e.g., on curriculum development, assessment techniques, model courses, etc.), for companies to communicate with schools about internship opportunities, for the industry to disseminate information about latest trends and research, as well as myriad other purposes.
- 10) Endow a faculty position in spa at a major hotel/hospitality management school.** Endow a faculty position in spa at a major hotel/hospitality management school. In this era of economic downturn and budget-cutting, it is likely to be difficult for universities/colleges to invest in new

International Hotel School, and many others. A lengthy list of hospitality management schools is available here: <http://hospitality-1st.com/PressNews/Schools.html>.

program development and hire new faculty, especially for fields such as spa where enrollment levels are expected to be fairly low relative to other programs. According to an interviewee at a major hotel school in the United States, one “sure-fire” way for the spa industry to convince a university to start a spa management concentration or degree program would be for the industry to fund an endowed faculty position at the school – however, this would require a tremendous investment of resources by industry members.

- 11) Help schools add “spa lab” training facilities for their student.** Work with spa management-related programs and also with hospitality/hotel schools to add “spa lab” training facilities for students in their programs. Perhaps the industry could sponsor the development of spa lab facilities that would be linked with existing hotel/restaurant training facilities at schools that are already offering spa-related coursework or are interested in doing so. A less-costly option would be for a spa company to offer the use of its own facilities for student training purposes to a local/regional school that provides spa-related coursework.
- 12) Promote scholarly research on spa.** Advocate for and sponsor scholarly research on spa, spa management, and wellness topics in general (such as through industry-sponsored research grants or prizes). This could encourage academic faculty and researchers to pursue more research on spa-related topics and raise the profile of spa as scholarly field of interest at universities and colleges.
- 13) Disseminate information about spa management books and educational materials.** As an industry, actively promote and disseminate information about books, manuals, and educational materials that are available on spa management and other spa-related topics (especially for industry-sponsored and developed materials, such as the ISPA/AHLEI textbooks and guides). Resource lists could be posted on GSWS, ISPA, and other industry association websites. Consider setting up an industry task force or committee to review the books that are currently available, give an “industry endorsement” to the books that are considered to meet industry standards, and disseminate this list to schools, educators, and training providers.

C. Encouraging investment in human resource development among spa companies

- 14) Encourage spas to invest in human resource development.** Encourage spa companies to commit to and invest in proactive human resource development (HRD) activities and career development pathways for their management and other personnel. The industry can support these efforts by offering forums, workshops, and speakers on the topic of human resource development at major industry events and conferences – thereby educating industry stakeholders on HRD and enabling them to exchange ideas and explore best practices.
- 15) Disseminate information about industry certifications (such as ISPA/AHLEI CSS).** Disseminate information about and promote the adoption of existing industry certifications for spa management personnel – i.e., the ISPA/AHLEI *Certified Spa Supervisor (CSS) Program*. There is

currently a fairly low level of awareness in the spa industry about the CSS program. Experience from the hospitality industry has demonstrated that the successful adoption of such certifications depends on gradual awareness-building and adoption of these certifications by leading companies in the industry.⁴⁰ There are unlikely to be additional investments made by AHLEI/ISPA (or similar organizations) in developing other spa management-related certifications until demand for the CSS program increases and more spa companies demonstrate an interest in such certifications for their employees.

- 16) Promote ongoing research on spa workforce and human resource development topics.** Sponsor additional industry-level research studies on workforce and human resource development topics that can support company efforts to ramp up efforts in these areas. Two potential topics for future research include: 1) detailed analysis of spa personnel salaries/compensation (and cross-industry benchmarking), and 2) detailed research on human resource development approaches and best practices in the spa industry (and corollary industries such as hospitality).
- 17) Encourage spas to establish spa management trainee programs.** Encourage large spa chains and global spa companies to establish formal spa management trainee programs similar to those offered in the hospitality industry. Such programs are typically offered for recent college graduates, last between 6 months and 2 years, and offer management trainees an opportunity to rotate through different departments in the company to gain practical experience prior to being placed in a full-time management position. Developing these kinds of programs in spas could help address the complaint by many spa companies that recent spa/hotel/hospitality management graduates do not have the practical skills needed to assume full management responsibilities right out of school.
- 18) Encourage resort/hotel chains to include spa rotations in their management trainee programs.** Encourage major resort/hotel chains to extend the rotations within their existing hotel/hospitality management trainee programs to include spa (if they do not already). This could help address the need for hotel managers to better understand how a spa operates and how to interact with spa managers and staff. It could also possibly facilitate the potential for spa managers/directors to move more easily between spa and hotel/hospitality positions in their upward career pathways.

⁴⁰ For example, AHLEI's hospitality industry certifications were initially launched in the 1970s, and over a period of several decades have become a gold standard in the industry and widely embraced by major hotel chains globally (often through a domino effect – when one major hotel company starts requiring a certification for its employees, then others tend to follow suit).

- 19) Be careful to explain specific requirements/responsibilities in job listings, because of inconsistent use of spa management job titles.** Because job titles used for spa managers/directors are closely linked to each individual spa business's overall management and personnel structure, there is no need to suggest any kind of standardization in use of titles across the industry, and there would not necessarily be any particular benefit from such an endeavor. Such a practice has no precedent in other industries, especially for higher-level management positions; standardization of job titles and their corresponding requirements is typically only done for highly technical and highly regulated positions, and would most often be done at a regional or national level (such as for health professions in the United States). However, the varied use of spa management job titles across the industry does suggest that companies need to be careful in spelling out the specific requirements and responsibilities for a "spa manager" or "spa director" position when posting a job advertisement, so that their posting will attract candidates with the necessary level of skills and qualifications.
- 20) Be more cooperative as an industry to promote spa management education, training, and skills development.** As elaborated throughout this report, much has changed over the last decade in relation to spa management education and training. Dozens of new degree and continuing education programs have been developed, new textbooks and educational materials have been published, and an industry-sponsored certification has even been developed (the ISPA/ALHEI CSS program). Most of these developments have taken place in a fragmented way, and very few industry members around the world are aware of them. To advance the cause of spa management workforce development, spa businesses, industry leaders, and industry organizations need to work together cooperatively to build awareness of these programs, tools, and resources; to promote their use and adoption; and to advocate for development of new programs and resources. As emphasized in this report, there are many paths to becoming a good spa manager/director, and there is no one "best" model for education and career development. All of the key players in the workforce system – businesses, education/training providers, and spa managers/directors themselves – must work together to make education, training, and skills upgrades a top priority in order to address the spa management talent gap.

Appendix A: List of Global Spa Management-Related Degree Programs at Universities, Colleges, and Schools (offering degrees for students, usually prior to entering the workforce)

Country	Name of School	Degree/Program Offered
Asia-Pacific		
Australia	Australian Academy of Beauty & Spa Therapy	Certificate in Spa Management (full-time) – offered as part of the Diploma of Beauty Therapy with spa specialization
Australia	Headmasters Academy	Advanced Diploma of Spa Management (1 year/full-time)
Australia	RMIT University	Masters of Wellness (1 year/full-time or 2-4 years/part-time) – <i>online program only</i>
Australia	William Angliss Institute	Diploma of Resort Management (Spa) (2 years/full-time)
Hong Kong	Chinese University of Hong Kong	Bachelor of Business Administration in Hotel & Tourism Management (3 years/full-time) – 1 course elective in spa management
Hong Kong	Hong Kong Polytechnic University	Bachelor of Science in Tourism Management (3 years/full-time) – 1 course elective in resort & spa hotel management
India	Ananda Spa Institute	Diploma in Spa Operations (48 weeks/full-time) – combines therapy and spa operations coursework Spa Diploma with Spa Management (24 weeks/full-time) – combines spa therapy and spa management coursework
India	Natura School of Advanced Beauty Therapy	Beauty & Spa Management Program (48 weeks)
Indonesia	Pacific International Beauty Institute	Spa Professional Certificate (8 months?) – 2 short courses in spa philosophy/management
New Zealand	AUT University	Bachelor of Tourism (3 years/full-time) – 3 elective papers in spa management
Singapore	Cornell University-Nanyang Technological University Institute of Hospitality Management	Master of Management in Hospitality (1 year/full-time) – 1 course elective in spa management
Singapore	Republic Polytechnic Singapore	Diploma in Wellness, Lifestyle, & Spa Management (3 years/full-time)
Singapore	Temasek Polytechnic	Diploma in Leisure & Resort Management (3 years/full-time) – 1 course elective in spa & wellness management

Country	Name of School	Degree/Program Offered
Thailand	Mahidol University International College	Bachelor of Business Administration in Tourism & Hospitality Management – 2 course electives in spa management
Europe		
Austria	FH Joanneum	Bachelor of Arts in Business in Health Management in Tourism (3 years/full-time) – about a 1/3 of total required credits in spa management Master of Arts in Business in Health Management in Tourism (2 years/full-time) – about 1/4 of total required credits in spa management
Austria	International College of Tourism & Management	Diploma in Wellness & Spa Management (2 years/full-time) Bachelor of Arts in Business in International Management (3 years/full-time, awarded from European University) – includes ITM's 2-year Wellness & Spa Management curriculum + one additional year at European University Bachelor of Arts in Hospitality Management with Tourism (3 years/full-time, awarded from Manchester Metropolitan University) – includes ITM's 2-year Wellness & Spa Management curriculum + one additional year at MMU
Estonia	University of Tartu	Master of Wellness & Spa Service Design & Management (2 years/both full- and part-time) - <i>combo. of face-to-face and online learning</i>
Finland	Haaga-Helia University of Applied Sciences	Bachelor in Hospitality Management, Degree Programme in Experience & Wellness Management (3.5 years/full-time) – students can pursue a specialization in spa management by taking courses offered at University of Tartu
France	Elégance Ecole Gontard	BTS in Esthetics + Spa Manager (2 years/full-time) – 2 years of coursework in Esthetics, followed by 5 weeks intensive training in spa management, followed by 5 weeks of internship
Greece	Alpine College	Certificate in Spa Management (1 year/full-time) Diploma in Spa Management (2 years/full-time) – <i>1 online course in spa management available as well</i>
Hungary	Szolnok University College	Bachelor of Science in Health Tourism Management (3 years/full-time) – about a 1/6 of credits in spa management
Ireland	Athlone Institute of Technology	Bachelor of Arts in Spa Management (3 years/full-time)
Netherlands	HZ University of Applied Sciences	Bachelor of Business Administration in Vitality & Tourism Management (4 years/full-time) – formal minor in Wellness & Lifestyle is available; approx. 5 courses in spa management are available

Country	Name of School	Degree/Program Offered
Netherlands	Saxion University	Bachelor of Business Administration in International Tourism & Leisure Management (4 years/full-time) – 1 course elective in spa management
Russia	Russian State University of Management	Certificate in Health & Beauty Industry Management (1 year/part-time) – includes 1 16-hour course in spa management out of 600 required hours for certificate
Switzerland	IMI University Centre, International Hotel Management Institute Switzerland	Master of Business Administration in International Hotel, Health, & Spa Management (5 months/full-time)
Switzerland	Swiss Hotel Management School	Master of International Business in Hotel, Resort, & Spa Management (2 years/full-time)
United Kingdom	Bournemouth University	Foundation Degree of Arts in Tourism & Spa Management (2 years/full-time)
United Kingdom	Coventry University	Foundation Degree of Arts in Spa Management (2 years/full-time) – offered in partnership with Warwickshire College
United Kingdom	Newcastle College	Foundation Degree of Arts in Beauty Therapy & Spa Management (2 years/full-time or 3-5 years part-time)
United Kingdom	Plymouth University / City College Plymouth	Foundation Degree of Arts in Salon & Spa Management (2 years/full-time)
United Kingdom	Plymouth University / Truro and Penwith College	Foundation Degree of Science in Salon & Spa Management (2 years/full-time)
United Kingdom	University College Birmingham	Foundation Degree of Arts in Spa Management with Hospitality (2 years/full-time) Bachelor in Spa Management with Hospitality (3 years/full-time)
United Kingdom	University of Arts London	Foundation Degree of Arts in Beauty Therapy & Spa Management (2 years/full-time)
United Kingdom	University of Bedfordshire	Foundation Degree of Arts in Beauty Therapy & Spa Management (2 years/full-time)
United Kingdom	University of Derby, Buxton	Foundation Degree of Science in International Spa Management (2 years/full-time or up to 4 years/part-time/distance learning) Bachelor of Science in International Spa Management (3 years/full-time or 4 years with an optional international placement year) Bachelor of Science in International Spa Management (Online) (up to 6 years/part-time) – <i>online only</i> Master of Arts in International Spa Management (1.5 years/full-time or up to 4 years/part-time)
United Kingdom	Warwickshire College	Foundation Degree of Arts in Spa Management (2 years/full-time)

Country	Name of School	Degree/Program Offered
United Kingdom	York College	Foundation Degree of Arts in Holistic & Spa Treatments (2 years/full-time or part-time) – approx. half of coursework is spa management-related
Latin America		
Jamaica	Colbourne College (5 campuses in Jamaica)	Associate Degree in Business Administration (2 years/full-time) – 2 course electives in spa management
North America		
Canada	Academy Canada Career College	Diploma of Health and Human Sciences in Esthetics & Spa Management (2 years/full-time + 6-week work term)
Canada	Algonquin College	Ontario College Graduate Certificate in Spa Management (1 year/full-time)
Canada	Canadian Tourism College	Certificate in Spa Management (420 hours/full-time) – usually an add-on to other tourism offerings at the college
Canada	Centennial College	Ontario College Diploma in Esthetician (2 years/full-time) – included 3 courses in spa management theory
Canada	Humber College Institute of Technology & Advanced Learning	Diploma in Esthetician/Spa Management (2 years/full-time)
Canada	Loyalist College	Ontario College Diploma in Esthetics & Spa Management (2 years/full-time)
Canada	Skin Care Academy	Diploma in Spa Management & Leadership (180 hours/full-time)
United States	Asheville-Buncombe Technical Community College	Associate of Applied of Science in Resort & Spa Management (2 years/full-time)
United States	Bellus Academy	Bellus Best in Business and Financial Literacy Program – Best in Business includes 6 modules of spa/salon business training, included in all the school's massage, esthetics, and cosmetology programs. Financial Literacy includes 5 modules of training. <i>Both include face-to-face and online modules.</i>
United States	Cornell University, School of Hotel Administration	Bachelor of Science in Hotel Administration (4 years/full-time) – 1 course elective in spa management Master of Science in Hotel Administration (1 year/full-time)
United States	Endicott College	Bachelor of Science in Hospitality Management with formal Spa and Resort Management concentration (4 years/full-time) – 7 courses required for Spa & Resort Management concentration

Country	Name of School	Degree/Program Offered
United States	Florida Gulf Coast University, College of Professional Studies	Bachelors of Science in Resort & Hospitality Management with formal Spa Management concentration (4 years/full-time) – 5 courses required for Spa Management concentration
United States	Great Bay Community College	Associate of Science in Hospitality Management with formal Spa Management Certificate (2 years/full-time) – 7 courses required for Spa Management certificate, which can be combined with the associate's degree Certificate in Spa Management (7 courses)
United States	Hill College	Certificate of Completion in Salon & Spa Management (1 year/full-time and part-time) Associate of Applied Science in Salon & Spa Management (2 years/full-time and part-time)
United States	Lincoln College of New England	Associate of Applied Science in Hospitality Management (2 years/full-time or part-time) – 1 course elective in spa management
United States	New River Community and Technical College	Associate of Applied Science in Hospitality & Tourism Management with formal Spa Management emphasis (2 years/full-time)
United States	Niagara University	Bachelor of Science in Hotel & Restaurant Management (4 years/full-time) – 1 course elective in spa management within the Luxury Hospitality Operations concentration
United States	Northeast Alabama Community College	Associate of Applied Science in Salon & Spa Management (2 years/full-time) Certificate in Salon & Spa Management
United States	Sandhills Community College	Associate of Applied Science in Resort & Spa Management (2 years/full-time)
United States	Scottsdale Community College	Certificate in Hospitality & Tourism/Spa & Wellness Center Management (about 1 year/full-time) Associate of Applied Science in Hospitality & Tourism/Spa & Wellness Center Management (2 years/full-time)
United States	Southwest Institute of Healing Arts	Associate of Occupational Studies in Holistic Healthcare with formal Spa Management & Leadership concentration (2 years/full-time) – 8 courses required for Spa Management concentration Certificate of Excellence in Spa Management & Leadership (200 hours of coursework) – same coursework as for Spa Management concentration above
United States	Ultimate Medical Academy LLC	Associate of Applied Science in Spa Management (18 months/full-time and part-time) – <i>hybrid of face-to-face and online learning</i>

Country	Name of School	Degree/Program Offered
United States	University of Houston, Conrad N. Hilton College of Hotel & Restaurant Management	Bachelor of Science in Hotel & Restaurant Management with formal Spa Management area of emphasis (4 years/full-time) – 4 required courses for Spa Management emphasis
United States	University of Minnesota, Crookston	Bachelor of Science in Hotel, Restaurant & Tourism Management with formal Resort & Spa Management emphasis (4 years/full-time)
United States	University of West Florida	Bachelor of Science in Hospitality, Recreation, & Resort Management with formal Spa Management track (4 years/full-time) – 3 required courses for Spa Management track

Appendix B: List of Global Spa Management Continuing Education and Training Providers (offering short courses, workshops, and credentials for people already in the workforce)

Note: This list is not exhaustive; it is limited to continuing education providers from whom the research team was able to gather information online or via email or survey, or make contact via telephone.

Country	Name of School/Trainer/Company	Program Offered
Asia-Pacific		
China	Cornell Shanghai	Certificate in Spa Management (5 days/full-time)
India	Ananda Spa Institute	Diploma in Spa Administration (3 months/full-time)
India	Orient Spa Academy	Certificate in Spa Management & Operations (1 month) – <i>both face-to-face and online programs available</i>
Indonesia	Puspita Martha – International Beauty School	Spa Management / Asia Spa Institute Certificate (5 days)
Japan	Nippon Spa College	Spa Manager and Salon Management Training (1.5-5 day courses)
Korea	Korean Spa Academy	Spa Manager Training Program
Philippines	Spa Professionals	Spa Management Workshop/Certificate (5 days)
Singapore	Asia Spa Institute	Spa Master Class / Certificate in Spa Management & Benchmarking (5 days)
Singapore	Spa Innovations	Effective Spa Management Training (32 hours)
Taiwan	Spark – Spa & Wellness Academy	Certified Spa Supervisor Program: ISPA/AHLEI Certificate – <i>combo. of face-to-face and online learning</i>
Thailand	Chiva Som Academy	Spa Management Certificate (1 week) Spa Development Certificate (1 week)
Europe		
Croatia	Lovran University	Certificate in Wellness Manager (170 hours/part-time) – 2 courses in spa management
Croatia	Vimal Wellness College	Certificate in Wellness Manager (304 hours on weekends)
Germany	IFH Institute for Hospitality Management	IFH-Certified Spa Manager (duration N/A)
Germany	IST Study Institute	Diploma in Wellness & Spa Management (1-year/part-time) – <i>mainly online</i>

Country	Name of School/Trainer/Company	Program Offered
Germany	Rizzato Spa Consulting	Spa Management Professional Trainings & Workshops (18 month workshop series/part-time)
Germany	Spa eMotion	Spa Management Professional Seminars (1 week/full-time)
Italy	MaWell - Master in Wellness & Spa Management	Master of Wellness & Spa Management (7 months/full-time)
Sweden	Raison D'Etre	Diploma in Spa Management (8 days or 25 webinars or 3 days of lectures + self-studies/full-time and part-time) – <i>combo. of face-to-face and online learning</i>
Switzerland	Lausanne Hospitality Consulting, Ecole Hôtelière de Lausanne	Hospitality Management Certification, Spa Special Mention (variety of 3-day courses) – 20 hours of training required to earn certification
Latin America		
Brazil	IBECO	Certificate of Attendance in Management at Spa (3 days/full-time) Certificate of Attendance in Business Management in Business and Esthetics (3 days/full-time)
Brazil	Senac University	Certificate of Attendance in Spa Management (60 hours/part-time)
Brazil	SPA & CIA Academia de Spa	Certificate in Spa Management (4 hours)
Mexico	Mexican Tourism Association of Health and Spa, AC	Spa Management Certification 2012 (2 days/full-time)
Middle East & Africa		
United Arab Emirates	Academie Esthetique (Locations in Dubai, Paris, & Singapore)	Spa Management Short Term Course (duration N/A)
North America		
Canada	Erica Miller Spa School	Spa Director's Management Course & Pre-Spa Management Course (1 week/full-time)
Canada	Fanshawe College	Spa Management Certificate (duration N/A /part-time) – <i>online learning</i>
Canada	Spaformation	Certificate in Spa Management (4 days)
Canada	Spas2b	Spa Management Certificate (approx.1 month, self-paced/full-time and part-time) – <i>distance learning combo. of discs and manuals with final online testing</i>

Country	Name of School/Trainer/Company	Program Offered
United States	American Hotel & Lodging Educational Institute/ISPA	Certified Spa Supervisor (self-paced) Area of Specialization in Spa Management (self-paced) – <i>both can be completed through self-study/distance learning or through in-person instruction</i>
United States	Asis Massage Education	Spa Director Training (2 weeks/full-time)
United States	Colorado Mountain College (Several Locations)	Certificate of Occupational Proficiency in Spa Management (duration N/A/part-time) – 8 required courses for the spa management certificate (3 courses directly related to spa management)
United States	Cornell University	Executive Development Program in Spa Management (5 days/full-time)
United States	Great Bay Community College	Certificate in Spa Management (duration N/A) – 7 required courses
United States	HUW Enterprise	Spa Operations and Management Course & HUW Enterprises Spa Treatment Procedures and Training (duration N/A)
United States	Inspiration Management	Leap Ahead-Spa Leadership Seminar (2 days)
United States	International Hotel Spa Academy	Certificate of Proficiency in Hotel Spa Management (length varies/full-time)
United States	Northeast Alabama Community College	Certificate in Salon & Spa Management (duration N/A)
United States	Orange Coast College	Spa Management Certificate of Achievement (duration N/A) – 8 required courses in spa management
United States	Preston Wynne Success Systems	The Spa Director's Management Intensive (3 days)
United States	University of California, Irvine Extension	Spa and Hospitality Management Certificate Program (duration N/A/part-time) – 10 online courses, can also be taken a-la-carte – <i>online only</i>

Appendix C: ISPA “Body of Knowledge” for Spa Management Professionals

This document, compiled by the ISPA Foundation and a committee of spa professionals, provides detailed guidance on the core competencies needed by persons working in spa management positions, and is intended to serve as a guide for education and training curriculum development. It is printed here with permission from the ISPA Foundation. The document is considered to be a work in progress, and additional feedback from spa industry members is welcomed.

ISPA “Body of Knowledge” for Spa Management Professionals <i>For further review and discussion by industry members</i>	
<u>Advertising</u>	Understanding the principles of advertising, how and when to select an agency How to develop your own advertising plan and create insertion orders Understanding layout and positioning as well as messaging Ability to track advertising effectiveness Outline the reasons that hospitality firms advertise, and describe types of advertising Describe how hospitality firms develop and execute advertising plans, and summarize how hospitality firms use advertising agencies Advertorial vs. paid advertising Co-op advertising with resource partners
<u>Communication</u>	Business & creative writing Drafting policy memos Guest correspondence Promotional offers Standard operating procedures Employee manual Excellent written and verbal communication skills
<u>Cuisine</u>	Food service Nutrition Sanitation - ServeSafe Dietary guidelines Alcohol, to have or not to have Menu planning and pricing Cookbook creation Buffet vs. a la carte service
<u>Design & Layout</u>	Creating the best traffic flow Noise reduction Size and function ADA Contract negotiations Staff, storage areas vs. revenue producing areas

ISPA “Body of Knowledge” for Spa Management Professionals

For further review and discussion by industry members

Facility Maintenance/Management

HVAC
Equipment
Pools
Electrical
Security and Fire Protection

Financial Management

Profit & loss review/analysis
Annual budgeting and budget management
Accounting skills
Revenue management - maximize by forecasting
Reservation reporting
Labor expense management
Capital investment planning

Fitness

Exercise
Wellness
Gym space and equipment
How to design a fitness program
How to select equipment
Trends and what to watch for
The importance of programming

Guest Relations/Customer Service

Reservations process - group, individual, etc.
MOD functions
Balancing customer satisfaction with bottom line business
Front desk and reservations
How to deal with problem guests
Set & implement good customer service
Effective Communication

Hospitality Management

Understanding of various departments in a hotel and how they work
How is a hotel organized
What are the revenue sources and drains
Environmental impacts
Revenue management
Rooms management
Security and safety
Cost controls
Price setting
Housekeeping procedures and measurements

Human Resources

Payroll management
Hiring/firing
Interviewing
Improving employee performance (evaluations, motivation)
Disciplinary action
Staffing & scheduling
Orientation & training

ISPA "Body of Knowledge" for Spa Management Professionals

For further review and discussion by industry members

Identify the advantages & disadvantages of internal recruiting
Describe the benefits and drawbacks of external recruiting
Application forms and pre-employment testing for selection
Reference checks and the legal issues surrounding this topic
Selection errors and biases to overcome when interviewing
Basic rules when preparing for interviews
Stages of a training cycle
Develop and conduct a training needs assessment
Training methods
Implementation of training programs and activities
Performance appraisals
Employee turnover - costs, rates, why, reduction, etc.
Exit interviews
Compensation plans
Mediate staff disputes & complaints

Leadership/Management Skills

Conflict management with staff, guests and third party vendors
Time management
Delegation
Motivation & team building
Performance review process
Managing change effectively
Effective staff meetings
Problem solving and effective decision making

Marketing

Promotions
Fundamentals of developing a strategic marketing plan to effectively increase the number of customers, sales and branding opportunities. Step by step understanding of branding elements needed for success.
How to create a marketing plan identifying demographics and target audiences that relate to your brand
Branding, creating and living it
Creating and tracking effective promotions
E-mail vs. direct mail vs. advertising
Potential groups to target

Operations

Daily housekeeping - checklists, scheduling, standards,
Daily maintenance needs - standards, checklists
Sustainability - sound environmental practices

Origins of Spa

Understanding of global spa history
Philosophy of spa

Product Knowledge

Selecting a product line
Relationship with resource partner
Education of Staff

ISPA “Body of Knowledge” for Spa Management Professionals

For further review and discussion by industry members

Public Relations

How to choose an agency
Creating buzz for newsworthy items
How to do PR without an agency, writing a press release, contacting press and hosting a media event
Describe the role of public relations and publicity in reaching prospective guests
Media inquiries
Media training

Retail Management

The Art and Science of Retail

Understand retail as an important extension of the services.
What retail looks like in the spa environment
Identify the roles that various people play in successful retail environments

Retail Planning

Importance of planning
Monitor and identify trends
Answer important questions related to his/her overall spa and retail dept.
Evaluate how the retail spaced fits in with the spa's philosophy
Create retail classifications
Plan annual and monthly sales
Develop a compensation plan that drives retail sales
Retail Space Planning - Do's and Don'ts

Purchasing

Describe the planning process for purchasing
Create a vendor structure
Research potential vendors
Hold productive meetings with retail product vendors
Select product lines that are appropriate for the spa
Identify the activities that can bolster a spa and vendor partnership
Knowledge of the benefits and risks of private label products
Ability to implement a private label line in a spa and successfully market it

Inventory Management

Purpose of inventory management in successful retail planning
Understand benefits of an automated system for inventory management
Define turnover and stock-to-sale ration and explain their purpose as part of an inventory management system
Calculate min/max levels for retail inventory and demonstrate how to set correct inventory levels for a variety of retail situations
Can apply the concepts of top sellers/slow movers and inventory aging to spa retail inventory to maximize profitability
Explain why the retail method is preferred over the cost method for the purposes of inventory management
Describe the concept of open to buy and explain the formula for determining open-to-buy levels
Explain the purpose of a variety of inventory recordkeeping tasks, including markdowns and markups, merchandise received, chargebacks, and transfers
Can determine causes of shrinkage and list procedures that deter shrinkage

ISPA “Body of Knowledge” for Spa Management Professionals

For further review and discussion by industry members

Evaluating Financial Performance

- Calculate retail sales percentage of total revenue
- Calculate the retail sales contribution by merchandise classification
- Calculate retail sales by ticket
- Explain why spas track retail sales by therapist
- Identify the importance inventory has on measuring financial performance
- Create and monitor a retail budget

Sales and Service

- Describe the synergy between sales and service
- Identify the retail challenges and opportunities for spa managers, front desk staff, technicians, and sales specialists
- List the steps to effective selling
- Distinguish between education and training and how each contributes to more effective sales
- Describe way to add value to a customer's spa purchasing experience

Visual Merchandising

- Explain the purposes of visual merchandising as they relate to customer satisfaction and profitability
- Describe areas of the spa that can be focal points for visual display
- Explain the role that lighting plays in visual merchandising
- Prepare skin, body, and beauty products for display
- Describe various types of written display materials and their purposes
- Describe fixtures used to display apparel and explain how each is used
- Prepare apparel for display
- Explain how to display books and CDs to maximize sales potential
- Describe display techniques for gift and accessories
- List steps for keeping the retail area fresh and appealing to customers

Marketing

- Identify the purpose of retail marketing for spas
- Conduct a SWOT analysis to evaluate the spa, its retail area, and its competitors
- Ability to use a customer profile to determine marketing goals and direction
- Develop a retail marketing calendar
- Describe the strengths and weaknesses of various external and internal marketing pieces
- Explain the roles of employees, vendors, and others in the marketing process
- Plan and execute a retail marketing plan
- Identify opportunities for a variety of marketing promotions
- Evaluate the effectiveness of marketing efforts

Spa Retail Opening

- Plan a six-month countdown for opening a new spa retail operation
- Gather information about competitors through the use of market survey
- Determine retail layout, fixturing, and lighting needs for spa retail operations
- Select point-of-sale computer software to maximize efficiency and profitability
- Create a merchandise plan and budget for a spa retail operation, based on information provided in the Uniform System of Financial Reporting for Spas
- Describe sales and inventory procedures that need to be implemented prior to opening
- Use a retail calendar to plan marketing promotions for a new spa retail operation
- Prepare job descriptions for retail sales positions within the spa and plan retail training for all spa staff

ISPA “Body of Knowledge” for Spa Management Professionals
For further review and discussion by industry members

Risk Management

Introduction

- Define risk management
- Describe an example case of liability to a third party
- Identify classes of risk
- Describe the staff who should be considered in risk management
- Describe the requirements of a risk manager
- Describe how to handle risks
- Identify an example of risk to staff
- Describe how to determine frequency and severity of risks
- Outline the risk management process

Staffing/HR

- Identify the components of job description
- Explain the Fair Labor Standards Act
- Identify the legal requirements of applicant interviewing
- Explain Federal Immigration laws governing new hires
- Identify how to use rules of the Fair Credit Reporting Act in screening applicants
- List the necessary elements that comprise an employee handbook
- Explain the disciplinary actions process
- Explain the importance of documentation in the employee disciplinary process

Guest Liability

- Explain the importance of a Guest Code of Conduct
- Explain the HIPAA standards as they apply to guest information
- Understand the liability for the loss of guest valuables
- List ways to protect spa guest personal privacy
- Define Federation of State Medical Boards guidelines on sexual impropriety
- List ways to help desexualize spa treatments
- Explain the importance of procedures and policies to deal with the treatment of underage guests
- Explain the importance of out-call service policies and procedures

Property Liability

- Explain the importance federal and state laws and local regulations to promote safe working environments
- Understand the Americans with Disabilities Act
- Explain the Occupational Safety and Health Administration (OSHA) regulations
- Define basic building security procedures
- List basic computer security procedures
- Identify potential employee and customer risks
- Explain the use of Material Safety Data Sheets

ISPA "Body of Knowledge" for Spa Management Professionals

For further review and discussion by industry members

Treatment Liability

Understand service or treatment of specific risks
Understand to develop specialty specific safety procedures
Explain how to assess if staff is properly trained
Explain the use of a guest liability waiver
Explain the need for a pre-treatment guest-information sheet
Explain the use of post-treatment guest information sheets
Explain the importance of completing incident reports
Understand the importance of risk management training
Understand the "golden rules of hydrotherapy"
Identify body waxing best practices
Identify nail services best practices
Explain the process of hiring an in-house physician

Equipment Liability

Understand product and equipment liability laws
Understand legal definition of negligence
Explain the Fair Packaging and Labeling Act
Explain the Federal Food, Drug, and Cosmetic (FD&C) Act
Understand the limitations of liability insurance coverage
Explain the use of treatment protocols
Explain the importance of maintaining equipment and product lists

Emergency/Incident Investigation

Explain the process of pre-loss review
Be familiar with national personal injury statistics
Explain the incident investigation procedures
Explain the importance of risk prevention plans

Insurance

Explain the concept of risk financing
Describe Insurance as part of the risk financing mechanism
Define Insurance
List the professionals needed for a good risk prevention strategy
Explain the steps in selecting an insurance agent
List the various types of liability
Explain the unemployment and disability compensation
Explain workers compensation laws
Explain the impact of natural disasters on insurance coverage

IT/Document Controls

Understand internet security procedures
Understand work related email privacy standards
Explain the backup data storage and data protection
Explain the Fair Credit Reporting Act
Explain how Fair Credit Reporting Act relates to the exchange of customer information
Explain the Payment Card Industry electronic data security standards

ISPA “Body of Knowledge” for Spa Management Professionals
For further review and discussion by industry members

Legal

Differentiate between mediation and arbitration
Explain the legal concept of negligence
Explain the legal categories of negligence
Explain the legal concept of torts
Explain the use of medical release forms in limiting liability
Explain the use of medical questionnaires for spa guests
Explain the concept of confidentiality including HIPPA laws

Sales: Inbound/Outbound

Define internal sales, how it works and its importance in product and service sales
Define external sales and what is needed to create an outbound sales effort and tracking system

Spa Modalities/Treatments

Equipment needed
Types of services to offer
Training on spa services
Continuing education for spa staff
Understanding integration of mind/body/spirit environment
Set & implement treatment staffing levels & standards
Develop treatment protocols
Familiar with various certifications & licenses required for treatments
Benefit of services and how they should be performed
Creating your service niche (what do you stand for with your treatments)

Tourism

Partnering with travel agents/motorcoach tour operators (Virtuoso, AmEx, etc.)
Relationships with visitor center, chamber of commerce, state tourism board

Appendix D: List of Spa Management-Related Books and Educational Materials Available

1. Books about the spa industry in general:

- Marc Cohen and Gerard Bodeker. *Understanding the Global Spa Industry: Spa Management*. Amsterdam; Boston: Elsevier/Butterworth-Heinemann, 2008.
- Jane Crebbin-Bailey, John Harcup, John Harrington. *The Spa Book (Hairdressing & Beauty Industry Authority)*. Thomson Learning Vocational, 2004.
- Elizabeth M. Johnson and Bridgette M. Redman. *Spa: A Comprehensive Introduction (+ companion DVD)*. ISPA Foundation/American Hotel & Lodging Educational Institute, 2008.
- Hannelore R. Leavy and Reinhard R. Bergel. *The spa encyclopedia: A guide to treatments & their benefits for health & healing*. Cengage Learning, 2003.
- Tom O'Dell. *Spas: The Cultural Economy of Hospitality, Magic and the Senses*. Nordic Academic Press, 2010.
- Mary S. Wisnom and Lisa L. Capozio. *Spa Management: An Introduction*. Prentice Hall, 2011.

2. Books about the wellness and medical tourism industries in general:

- Anja Behrens. *The Internationalization Process of Wellness Tourism*. GRIN Verlag, 2009.
- Robyn Bushell and Pauline J. Sheldon. *Wellness and tourism: mind, body, spirit, place*. Cognizant Communication, 2009.
- John Connell. *Medical Tourism* (Google eBook). CABI, 2010.
- Patricia Erfurt-Cooper and Malcolm Cooper. *Health and wellness tourism: Spas and hot springs*. Channel View Publications, 2009.
- Jill Hodges, Ann Kimball, and Leigh Turner. *Medical Tourism: Risks and Controversies in the Global Market for Health Services*. Greenwood Pub Group, 2012.
- Rajesh Kumar. *Global Trends In Health And Medical Tourism*. SBS Publishers & Distributors, 2009.
- David Reisman. *Health tourism: social welfare through international trade* (Google eBook). Edward Elgar Publishing, 2010.
- Melanie Smith and László Puczkó. *Health and Wellness Tourism*. Elsevier/Butterworth-Heinemann, 2008.
- Lucia Steppeler. *Wellness Tourism as an Active Method for Individual Health Promotion: Illustrated at the Example of the Steirische Thermenland*. VDM Verlag, 2009.
- Ruamsak Veerasoontorn. *A Dynamic Model of Medical Tourism*. LAP Lambert Academic Publishing, 2011.

3. Books/manuals about spa management and business topics:

American Hotel & Lodging Educational Institute and ISPA

[http://www.ahlei.org/uploadedFiles/EI/Products/request_a_catalog/SpaShowcase2011.pdf]

Compensation Workbook for the Spa Industry (+ companion CD). ISPA Foundation/Compensation Consulting Consortium (3C), 2004.

Financial Management for Spas. ISPA Foundation/American Hotel & Lodging Educational Institute, 2011.

Global Best Practices for the Spa Industry. ISPA.

Retail Management for Spas. ISPA Foundation/American Hotel & Lodging Educational Institute, 2005.

Risk Management for Spas (online only). ISPA Foundation/American Hotel & Lodging Educational Institute, 2010.

Spa Operations Manual (CD only). ISPA.

Supervisory Skill Builders, for the Spa Industry (9 workbook series + Leader's Guides). American Hotel & Lodging Association Educational Institute/ISPA.

Uniform System of Financial Reporting for Spas (+ companion CD). ISPA Foundation/American Hotel & Lodging Educational Institute, 2005.

Angela Derks / Spa Management Manuals (Australia)

[<http://www.spamanagementmanuals.com/Manuals/>]

Angela Derks. *Spa Customer Service Manual.*

Angela Derks. *Spa Excellence Manual – Little things that make a big difference.*

Angela Derks. *Spa Manager Manual.*

Angela Derks. *Spa Supervisor Manual.*

Angela Derks. *Spa Trainer Manual.*

Inspiration Management [<http://inspirationmanagement.com/shop>]

Inspiration Management. *10 Economical Spa Marketing Strategies*

Inspiration Management. *Blueprint to Effective Team Building.*

Inspiration Management. *Charting a Successful Career Path.*

Inspiration Management. *Don't Sell, Recommend!*

Inspiration Management. *Employee Manual & Position Descriptions.*

Inspiration Management. *Geometric Growth.*

Inspiration Management. *Innovative Spa Merchandising.*

Inspiration Management. *Journey Into Profits with Wellness Programs.*

Insparation Management. *Marketing for Success – An Annual Marketing Plan*

Insparation Management. *Menu Development Dos and Don'ts.*

Insparation Management. *Personal Transformation.*

Insparation Management. *“Ready-to-GO” E-News.*

Insparation Management. *Secrets to Successful Event Planning.*

Insparation Management. *Solo-preneur Budget.*

Insparation Management. *Spa Business Success Library.*

Insparation Management. *Spa Reception and Profits.*

Insparation Management. *VPG Compensation Innovation.*

Insparation Management. *VPG ComPlan Overview.*

Insparation Management. *Your Financial Blueprint – Spa Budget.*

Intelligent Spas

[http://www.intelligentspas.com/main/details_SOP.asp]

Intelligent Spas. *Salon/Boutique Spa Operations Manual.*

Intelligent Spas. *Client Interaction & Service Standards Manual.*

Intelligent Spas. *Housekeeping & Spa Presentation Manual.*

Intelligent Spas. *Spa Employee Handbook Manual.*

Intelligent Spas. *Spa Human Resource Management Manual.*

Intelligent Spas. *Spa Integration for Hotels.*

Spas2b

[http://www.spas2b.com/shop_spas2b.php]

Spas2b. *Financial Plan Program.*

Spas2b. *Spa Customer Service & Operations Business Manual.*

Spas2b. *Spa Finances Business Manual.*

Spas2b. *Spa Marketing Business Manual.*

Spas2b. *Spa Priority Plans Report.*

Spas2b. *Spa Staffing Business Manual.*

Spas2b. *Spa Start-Up Business Manual.*

Spas2b. *Staff Compensation Report.*

Spas2b. *Staff Contracts Report.*

Healing Arts Guide

[<http://healingartsguide.com/manuals-and-plans.html>]

Healing Arts Guide. *Front Desk Manual*.

Healing Arts Guide. *Locker Room Manual*.

Healing Arts Guide. *Reservations Manager Manual*.

Healing Arts Guide. *Retail Manager Manual*.

Healing Arts Guide. *Spa Director Manual*.

Healing Arts Guide. *Spa Operations Manager Manual*.

Healing Arts Guide. *Spa Operations Supervisor Manual*.

Wynne Business

[<http://www.wynnebusiness.com/store/>]

Wynne Business. *Customized Spa Employee Manual*.

Wynne Business. *The Spa Enrichment Group Referral Generation System*.

Wynne Business. "Selvice" Training on DVD.

Manuals/Guides/Books from other Authors and Sources

Preethi Burkholder. *Start Your Own Day Spa and More*. Entrepreneur Press, 2007.

Janet D'Angelo. *Spa Business Strategies: A Plan for Success*. Cengage Learning, 2009.

Neil Ducoff. *Fast Forward Salon & Spa Business Resource*. Strategies Publishing Group Inc., 2000.

Elizabeth Kraus. *12 Months of Marketing for Salon and Spa: Ideas, Events and Promotions for Salon and Spa*. CreateSpace, 2010.

Jerre G. Lewis and Leslie D. Renn. *How to Start & Manage a Health Spa Business: A Practical Way to Start Your Own Business*. Lewis & Renn Associates, 2007.

Jeremy McCarthy and Jennifer James. *Fabjob Guide to Become a Spa Owner*. Fabjob, 2006.

Erica T. Miller. *Salonovations' Day Spa Operations*. Cengage Learning, 1996.

Sandra Alexcae Moren. *Spa & salon alchemy: The ultimate guide to spa & salon ownership*. Thomson Delmar Learning, 2004.

Salon & Spa Management Tools. Milady Publishing Company, 2007.

Salon Training International. *Recruiting for Excellence*. Cengage Learning, 2004.

Eileen Figure Sandlin. *Start Your Own Hair Salon and Day Spa*. Entrepreneur Press, 2010.

Shannon Burson Smith. *Spa Secrets of Success: Unlocking the Secret Behind Successful Spas*. AuthorHouse, 2007.

Spa Management Journal. <http://www.spamanagement.com/>

Starting Your Own Successful In-Demand Day Spa Business: How To Plan, Design, And Open Your Own Authentic In-Demand Day Spa Business That Will Have Your Customers Returning Time And Time Again. KMS Publishing, 2010.

Edward J. Tezak and Terry Folawn. *Successful Salon & Spa Management.* Cengage Learning, 2011.

Maria Todd. *Handbook of Medical Tourism Development.* CRC Press, 2011.

John Uhrig. *The Little Book with Big Impact For Day Spas - How To Create Instant Client Promotions and Sales Letters.* Lulu.com, 2008.

Skip Williams. *The Reluctant Spa Director: And the Mission Dream.* Buy Books on the web, 2003.

Skip Williams. *The Reluctant Spa Director: Between a Rock and a Hard Place.* Infinity Pub, 2010.

4. Books/manuals targeting massage therapists, about business/entrepreneurship topics:

Jessica Abegg. *The Business of Massage Therapy: Building a Successful Career.* Pearson Education, 2011.

Laura Allen. *A Massage Therapist's Guide to Business.* Lippincott Williams & Wilkins, 2011.

Laura Allen. *One Year to a Successful Massage Therapy Practice.* Lippincott Williams & Wilkins, 2008.

Martin Ashley. *Massage: A Career at Your Fingertips.* Enterprise Publishing, 2002.

Patricia J. Benjamin. *Professional Foundations for Massage Therapists.* Pearson Prentice Hall, 2008.

Steve Capellini. *The Complete Spa Book for Massage Therapists.* Cengage Learning, 2009.

Steve Capellini. *Massage therapy career guide for hands-on success.* Thomson/Delmar Learning, 2006.

Susan Cressy. *Business Management for Hairdressers and Therapists.* Heinemann, 2003.

Sandy Fritz. *Business and Professional Skills for Massage Therapists (E-Book).* Elsevier Health Sciences, 2009.

Colleen Steigerwald Holloway. *Success beyond work: what prosperous massage therapists know -- minimum work, maximum profits, and a sellable business.* Saramore Publishing Company, 2008.

Meagan R. Holub. *The Magic Touch: How to Make \$100,000 Per Year as a Massage Therapist; Simple and Effective Business, Marketing, and Ethics Education for a Successful Career in Massage Therapy.* Olive Vine Press, 2009.

Meagan Holub. *More of the Magic Touch: How to Make \$60, \$80, \$100,000 or More as a Massage Therapist, Volume 1.* Olive Vine Press, 2010.

Nina McIntosh. *The educated heart: professional boundaries for massage therapists, bodyworkers, and movement teachers.* Lippincott Williams & Wilkins, 2005.

Bill Norman and Shelley Johnson. *The Enviable Lifestyle: Creating a Successful Massage Therapy Business*. Booksurge, Llc, 2008.

Monica Roseberry. *Marketing Massage: From First Job to Dream Practice*. Thomson Delmar Learning, 2006.

Monica Roseberry. *Marketing Massage: How to Build Your Dream Practice*. Delmar/Thomson Learning, 2002.

Jan L. Saeger and Lewis S. Rudolph. *Building a Healthy Business: For Massage and Alternative Healthcare Practices*. McGraw Hill Higher Education, 2009.

Ron Thatcher. *Get Rich in the Massage Business*. Booksurge Llc, 2008.

5. Books/manuals about business/management/entrepreneurship in spa-related industries:

Holistic/Complementary/Alternative Medicine

Elaine M. Aldred, Martin Young, and Richard Blackwell. *A Guide to Starting Your Own Complementary Therapy Practice*. Elsevier Health Sciences, 2006.

Shaun Brown. How to Create a Successful Holistic Practice. BeWellPublications.com, 2001.

Polly Baumer. *The Holistic Practitioners Business Bible*. James A. Rock & Company Publishers, 2008.

Patricia Bishop. *Setting up and running a complementary health practice*. How To Books Ltd., 2004.

Steven A Harold. *Marketing Tips for Complementary Therapists: 101 Tried and Tested Ways to Attract and Retain Clients*. How To Books, 2006.

Steven A. Harold. *Marketing Your Complementary Therapy Practice: 101 Tried and Tested Ways to Attract and Retain Clients*. How To Books, 2008.

Jackie James. *Start and Run a Successful Complementary Therapy Business*. How To Books, 2011.

Theodore Robinson. *How to Open Or Improve a Successful Alternative Health Care Practice*. Lulu.com, 2006.

Cherie Sohnen-Moe. *Business mastery: a business planning guide for creating a fulfilling, thriving business and keeping it successful: designed for healing arts professionals, utilized by business professionals in all fields*. Sohnen-Moe Associates, 1991.

Michelle A. Vandepas. *Marketing for the Holistic Practitioner: A Simple Low Cost Guide for Therapists and Practitioners on Getting and Keeping Your Clients*. Conscious Destiny Productions, Incorporated, 2003.

Linda Wilson. *Becoming a Complementary Therapist: How to Start a Career in the New Caring Professions*. How To Books Ltd., 2001.

Salon Management (selected titles, not a comprehensive list)

Martin Green. *Salon Management: The Official Guide to Level 4 NVQ/SVQ*. Cengage Learning, 2011.

Salon Training International. *Salon Management Tools*. Cengage Learning College, 2004.

Edward Tezak. *Milady's successful salon management for cosmetology students*. Cengage Learning, 2001.

Health Club/Fitness Management (selected titles, not a comprehensive list)

Mike Bates. *Health fitness management: a comprehensive resource for managing and operating programs and facilities*. Human Kinetics, 2008.

Steve Main. *Total Health Club Management*. Visionquest Ministries, 2006.

Thomas Plummer. *The Business of Fitness: Understanding the Financial Side of Owning a Fitness Business*. Healthy Learning, 2003.

Stephen Tharrett and James A. Peterson. *Fitness Management: A Comprehensive Resource for Developing, Leading, Managing, and Operating a Successful Health/Fitness Club*. Healthy Learning, 2003.

Appendix E: Survey Methodology

The SRI research team, in partnership with GSWS, developed three online surveys to support primary data collection for this study. Relevant industry stakeholders were invited to participate in the online surveys through an email invitation that was distributed via the GSWS membership database, the GSWS list of education providers, newsletters and databases of other spa industry associations and businesses, as well as other contacts in education/training identified by the research team. Due to the nature of the distribution mechanisms the research team had access to, this survey was not designed to be a scientific or representative survey – it utilized a convenience sampling technique, and the results cannot be assumed to be representative of the entire spa industry. This kind of sampling technique is useful and valid in conducting an exploratory or pilot study, with the goal of collecting basic data and trends information. However, its drawback is that certain populations are underrepresented in the survey sample – for example, the responses for this survey were heavily weighted toward North America, and to a lesser extent Europe and Asia, while responses from Latin America, Middle East, and Africa were underrepresented.

Survey of Spa Industry Leaders/Executives

This survey collected 188 responses, distributed as follows:

Spa Industry Leaders/Executives Survey Respondents			
Region	# of Responses	Business Type	# of Responses
North America	81	Resort / Hotel Spa	65
Asia-Pacific	45	Spa consulting	39
Europe	44	Day Spa / Club Spa	20
Middle East & Africa	9	Medical Spa	14
Latin America-Caribbean	8	Spa products	12
Not specified	1	Spa media & marketing	11
		Destination Spa	9
		Education	8
		Spa equipment and supplies	6
		Other	4
Total Responses = 188			

Survey of Spa Management Personnel

This survey collected 469 responses, distributed as follows:

Spa Managers/Directors Survey Respondents			
Region	# of Responses	Type of Spa	# of Responses
North America	290	Resort / Hotel Spa	275
Asia-Pacific	91	Day Spa / Club Spa	184
Europe	43	Medical Spa	31
Latin America-Caribbean	24	Destination Spa	11
Middle East & Africa	21	Other	13
Total Responses = 469			

Note: The number of responses in the “Type of Spa” column does not add to 469, because some respondents operate more than one type of spa.

Survey of Spa Management-Related Education Programs and Training Providers

This survey collected a total of 54 responses from a variety of schools, educational programs, and training providers around the world. The data collected through this survey were not treated as “survey data,” but rather were used to supplement additional online and telephone-based research conducted by student intern Charlett Kohlwes and the SRI research team, contributing to the full inventory of spa management-related degree programs and continuing education providers presented in *Appendix A* and *Appendix B* of this report.

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