

27th March 2020

Lead the change... be the first, don't wait

Dear Spa Leaders,

European Spa magazine is working to bring together support from leaders in the world of business coaching and spa during this unprecedented time. This expert guide is the first of a package of thought-leadership tools and articles that European Spa will deliver to you during this crisis.

12 Crisis Management Steps is designed for business leaders to consider now. The invaluable advice provided by Nigel and Liz provides guidance through a period of extraordinary disruption to our markets, economy and society.

Please remember, that every business will have its own specific challenges to manage, so we urge you to ensure you seek the right legal, financial and Government advice to underpin your research and planning in the weeks ahead.

If you need specific coaching advice and support, then I have included contact details for both Nigel and Liz at the end of this article.

Stay well,

Sarah Camilleri

Publisher & Founding Editor

sarah.camilleri@spapublishing.com

www.europeanspamagazine.com



12 Crisis Management Steps - Coronavirus



**Working together
to keep you informed and inspired
through extraordinary times**



Europe's No.1 Business Coaching Firm



Europe's No.1 Magazine for Spa & Wellness

12 Steps you need to take NOW...

1. Cashflow
2. Communications
3. Leadership
4. Hygiene
5. People
6. Work from home
7. Supply Chain
8. Marketing & PR
9. CSR
10. Selling
11. Strategic
12. Action

Business

**Action
COACH**
BUSINESS COACHING

Spa-Wellness specific

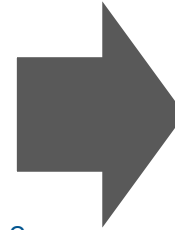
 commercial
SPA strategies

THE NO.1 MAGAZINE FOR SPA AND WELLNESS
Spa
european

Step 1: Cashflow

Intelligent cost-cutting has to be the top priority in a crisis...

- Re-work cashflow (this is **CRITICAL**):
 - What is the trajectory of your current enquiries/receipts?
 - You must produce a worst case scenario
 - You will be asked for this from your bank
 - You do not want to go back to your bank for a second bite...so worst case is vital (do not be over-optimistic)
- Increase cash reserves:
 - Stop Direct Debit on VAT now
 - Tell HMRC you can not PAYE and you need to defer
 - Extend Overdraft with Bank
 - Extend credit card limits
 - Apply to HMRC for 80% wage support – note: you're unlikely to get this paid to you before 30-April
 - 80% of wages covered to max of £2.5k per employee (backdated to 1-3-20)
- Contact bank re business interruption loan
 - Get your accounts up to date (contact me or your Accountant if you need help)
 - Make sure you run a **worse case scenario** and that's what you ask to get funded (The banks do not want you going back for a second bite!)
- Produce a **plan** for each line of your cashflow



Retaining Income from gift vouchers, deposits, memberships and pre-paid treatments requires its own strategy based on what is fair and acceptable practice

- Extend all gift vouchers by any time of closure plus additional goodwill
- Offer pre-paid treatments to re-schedule and consider a complimentary upgrade to reward loyalty
- While membership is suspended, ensure engagement remains active as you consider different ways to support health and wellness. If you currently run a class timetable, consider presenting them on-line at a reduced price point

Step 2: Communications

Communication that is positive and well founded will settle the nerves and get your people thinking clearly and constructively...

- Daily department huddles on Zoom and Google hang-outs work well
- Format (written, walk around, phone, video, zoom, email)
- Coronavirus statement – some great examples issued (well done)
 - Include your virus/hygiene statement on your website
- Review the data info and determine your actions
 - 5 daily actions
 - Send them to me daily if you want accountability
- Team, Customers, Suppliers and Stakeholders
- Community
 - Six Senses adapts in-resort wellness experiences to online content to support guests, hosts and communities around the world



More than ever it's important to have constancy in communication. Well considered messages which reflect your brand and how it is responding to this global challenge

- Let your clients know what is happening and how you can help them. Get in touch with everyone who has a future booking and/or membership. Aim to keep their support in whatever form
- As well as communication with your team, stay visible with regular updates for all stakeholders and business owners (if you are managing a spa or salon). This is all new for them too and they will be re-assured by your measured and clear communication day by day
- Collaborate with all key stakeholders before issuing daily briefings and ensure communication is two way. Listen carefully to latest news updates and ensure you understand what your competitor set are doing. Ensure you are on-message
- Be open, honest and above all visible with your team. Get back to them promptly and above all keep messages positive without catastrophising
- Adopt consistency in all messages whether email, social media or phone. It is tempting to make decisions quickly as the news changes every day but ensure you are a steady force for good within your team and community

Step 3: Leadership

"I have never been more determined to see us through. Please take care of yourself, your friends and family and the community around you. I wish you good health and a sense of optimism. Together we can and will overcome this and thrive once again." Arne Soreson, CEO, Marriott International

- What type of Leader do you need to BE
- Panic and Worry Never Helps
- Look for Wins, no matter how small
- Sometimes Less News is Better
- Focus on what can be done
- Lead & Encourage Your People from the front
 - No flaunting of the 'restrictions'
 - Working from home (wherever possible)
- Look after yourself ...BE the best YOU
 - Exercise, Diet, Hydration, Sleep
 - **IVVM** (positive thinking...let me know if you need help here)
(Imagine, Visualise, Verbalise, Materialise)



This is a time to lead from the front with good visibility whether in person or on-line. It's ok not to have all the answers (no-one has right now), but demonstrate that you care and do everything you can to bring something positive to the people around you, whether team members or clients

- Start to think in terms of how your business will be on Day 1 of re-opening
- Visualise the cleanest, best maintained and welcoming facility. Set your team up to be the very best they have ever been with a clear vision of how they are ready to help their clients.
- This vision will help you make other decisions along the way and help you to demonstrate your confidence that this will pass and how we are now will help support a brighter future
- Ask your team what they need from you. It maybe something easy for you to offer which means a lot for them

Step 4: Hygiene

- Be seen to be “clean”
- Joined-up approach with suppliers
- CLEAN and Don't Touch
- Provide Sanitizer, Face masks, Gloves etc as required
- Put People First – be compassionate

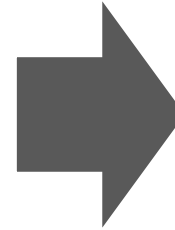


As our spas prepare to re-open in the future, the chances are we will continue to apply safe distance and additional hygiene practices.

Get your Standard Operating Procedures updated now and consider where additional cleaning resources may be needed.

Step 5: People

One way to reduce the need for layoffs is to cut back on hours and spread the available work among more employees...



- Reassure your employees
 - 80% of wages covered to max of £2.5k per employee (backdated to 1-3-20)
- Mortgage holidays of 3 months
 - Speak to your mortgage company
- Support for Renters
 - See HMRC site
- Communicate with people/involve them
- Reward innovation and solution-thinking
 - Get people thinking about plans post-Covid-19
- FAQs on shared drive and daily comms
- Self isolation and wages statement

Review your team morale and availability on a day-by-day basis and consider ways for them to be productive whether that is in training or in preparation for re-opening as the weeks pass

- It's easy to assume that your team have seen the news and know they will be paid even if they are self-isolating. If they are unsure how this works, it will be an anxious time. Issue a statement as a matter of urgency on what support you will be offering your team
- With no clients around you may have some really good administrators who have time to help their colleagues navigate assessments and form filling which will be associated with getting payments through. This will re-assure and provide practical help which will be appreciated
- Connect with your spa partners and suppliers to engage with online training and development
- It may be tempting for some therapists to do home treatments. It is vitally important that they understand that this could damage your reputation as an employer and treatment provider and would be socially irresponsible. Ensure this is communicated in line with your teams' contract

Step 6: Work from Home

Embrace working from home but agree responsible parameters...

- Technology needed (e.g. Switchboard to transfer calls)
- Use a VA for a 'personal touch' and forward messages
- Zoom has been a revelation for most – plenty of training available
 - YouTube training videos
 - Packages range from free to £45 p/m
 - A new way of working in the future?
 - One client of mine is now planning to scrap their office working in the future and simply run a single meeting room
- Meetings and Reporting protocol
- Customer Service
- Work-from-home policy and KPIs - HR



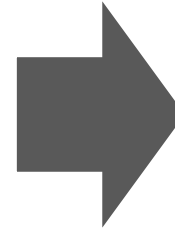
There is already an unprecedented on-line spa community forming. Consider how your business can benefit from this in terms of team and client engagement

- Create a protocol for on-line communication
- Connect with your spa suppliers to step up online training and team development
- It's time to raise morale and connection to a new level. Do some fun stuff like on-line coffee mornings, group virtual hugs – all morale building

Step 7: Supply Chain

Be a 'Solution Provider' - Ask how you might help

- Take a joined up approach across the Supply Chain
- From professional products, consumables, linen, uniforms, towels, robes and slippers
- Consider what promise/guarantee can you offer?
 - Are suppliers doing great stuff that can support you?



Keep in touch with all of your suppliers and review payment terms if there are issues. They will be sharing your challenges and would rather hear from you than be ignored. Keep them updated as things change

- When its time, ensure your suppliers know when you are planning your re-opening so they can provide the right support. Ignoring their potential to help can leave you vulnerable when you re-open
- Now is the time to work closely with your suppliers to consider new wellbeing services for your customers, look at new ways to upskill your team online and prepare a plan for reopening

Step 8: Marketing & PR

Marketing is the heart of a business. It enables relationships with customers to be established and maintained...it is an ongoing commitment

- Keep Marketing
- Spend intelligently – Test & Measure effectiveness
 - Speak to me if you need help
- Negotiate Marketing costs
- Create New Offers/Rates
- Innovate – new products/services
- Show products/services on video (not everyone saw them first time)
- New Guarantees
- A travel company client is promoting special deals for Sept 2020
 - Do you have a plan for post-Corona?
- Promote CSR (old, vulnerable, other business owners)



Marketing & PR is one of the most vulnerable functions of a business in a crisis and often the first to be cut, but it plays a central role in finding new ways to drive demand and engagement, as well as steadying anxieties and communicating positive and consistent brand messages

- Your brand - now is the time to actively engage in public relations to control the message and direct the conversation
- Visibility - You need to establish and maintain a constant flow of information to your stakeholders and industry. Consider on-line "how-to" presentations which would help your team learn a new skills while promoting engagement with your clients. Make up, hair removal, looking after your nails or feet
- Virtual classes are already growing with Les Mills on demand. Your team may be able to create fun and interesting presentations to share with members and maintain contact for when their membership goes live again
- Your marketing presence can be enhanced by how you respond to our current challenges. Consider the messages which confirm your position as an authentic and supportive business

Step 9: CSR (Corporate Social Responsibility)

Your true character emerges in times of crisis – make sure it's what you want to BE...

- What is your CSR approach
- Tell all your stakeholders including: your clients, membership, guests, team, suppliers and community
- Can you bring wellness to your local community?
- Can you collaborate with other business owners
- Sainsbury – Open an hour earlier for Older customers
- Coaching – Additional complimentary coaching support
- Costa – free coffee for all NHS hero's
- What's your 'give'?
- The Davines Group [comfort zone] started production and free distribution of the "Good Hope Gel" a hand sanitizing gel to support efforts during the Covid-19 emergency
- ishga, Ytsara and Proverb are all diverting resources to the production of hand sanitizer for the NHS or community
- L'OCCITANE has now donated over 10,000 hand creams to NHS / HSE staff across the UK & Ireland



Your social responsibility lies firstly with your team, then with your clients and also your market and community. How you treat those people through these challenging times will become a moment of truth for your reputation in the future

- Be genuine rather than come up with anything which could be perceived as a gimmick - you don't have to share everything charitable or positive you do on social media. Good things will be appreciated
- Be practical, helpful and above all be yourself
- PR – now is the time to actively engage in public relation to control the message and direct the conversation
- You need to establish and maintain a constant flow of information to your stakeholders

Step 10: Selling

Every contact we have with a customer influences whether or not they'll come back. We have to be great every time or we'll lose them...

- Over Deliver on Customer Service
- Existing Customers are Best Customers
- Create Deals just for them
- Bulk Buys, Cash Up Front
- Target new customers by leveraging your position
- Communication is Vital – get on Zoom and Phone
- 80/20 Rule
- Be a solution-provider – Ask how you might help
- 'Givers gain' is a phrase used by the BNI and has never been more relevant



Be realistic about what you can currently sell as an over enthusiastic sales approach may be off-putting. Timing is important but be prepared

- If self-isolation continues into weeks and months, there will be a new normal for us. Consider what people may then want. Ensure your clients know that they can purchase their skin care from you as normal. Get set up with a post and packing service and get your suppliers on board
- Promote your “how-to” presentations in line with product offers
- Gift vouchers are a great way for isolated individuals to show friends they are thinking of them and planning for the future. Set up an offer with an extended closing date so you can be part of that
- Consider an offer (with a sales deposit) which is better than your best rate and effective for the first six weeks of re-opening

Step 11: Strategic

The only constant in life is change...This is now The New Normal...

- Lead the Change...be first, don't wait
- Your previous Plan is now the Old Plan
- Scenario Plan (upside, downside, 'realistic')...don't leave to chance
- Watch China and Italy to form a view
- Be selective with your data sources (such as the BBC)
- Products/Services, Pricing, Supply Chain, Marketing, Resourcing
- Leaner, faster, different
- Does your business model still work?
- Buddy up plan with growth industries (medical, paper, food, delivery, care homes etc)
- Alliances to pool resource
- "Be aware/Beware" the Force Majeure clause in contracts/terms
- 90 Day Planning horizon...review monthly



Develop your strategy to lead to future re-opening and consider the actions you take now being part of that plan

- Share the vision you have for the future of the spa and how it can relate to clients who have come through this global crisis. European Spa is here to help you with this. Stay in touch.
- Collaborate with your key team on planning this new, more engaged and more supportive experience
- Work closely in the coming months with your suppliers, delivery companies, online retailers, social media experts, industry magazines and associations
- Stay true to your key business purpose. What are you already really good at? What could you introduce or develop? What can you communicate?
- Infuse all your current communications with the confidence that the situation will improve and your spa business will be back, better than ever

12 Crisis Management Steps

Step 12: Action

1. **Collaborate** – get it on paper...don't try and hold things in your head
2. **Prioritise** all the great ideas...you and your team will have plenty
3. **Put Comms** in your default diary...it's a discipline
4. **90 day plan**...getting working on it now ...I'm happy to help
5. **5 ACTIONS** for today...then every new day
 - Every client of ActionCoach has started with **cashflow planning as No.1 priority** I'll help keep you focused on your key actions if that's helpful

Thank you to our contributors

Please contact Nigel if you need help and business advice through these challenging times.

Nigel Nelms

Business Coach

Working together through extraordinary times.



T: 07540 366076

E: nigelnelms@actioncoach.com

Liz Holmes

Director

Commercial spa and wellness strategies



T: 07398 250058

E: liz@commercialspastrategies.com