

## SEPARATING YOUR PARTS FROM LABOR WITH SALONSCALE

### STEP 1: DETERMINE YOUR BREAK-EVEN NUMBER

In order to make sure you are breaking-even during every single service, you need to determine what you need to be charging per hour in order to ensure you are covering your costs every single time.

To do this, add all of the expenses related to your salon and divide it by the number of hours you worked. If you own a salon, do this with every stylist in your salon.

**Total expenses in a month / Total number of hours worked in a month = your break-even number**

Example:  $\$38,400/1,920 \text{ hrs} = \$20$

This means you need to charge a minimum of \$20 per service just to break-even.

### STEP 2: DETERMINE YOUR HOURLY RATE

Now that you know what your break-even number is - calculate your hourly rate and your stylists if you have a multi chair location:

**Stylist Average Monthly Revenue / Hours Worked Per Month = Stylist Hourly Rate**

Example:  $\$12,800/160 = \$80$

Now add on your break-even number to get your base rate

**$\$80 + \$20 = \$100$**

This means you will make \$80 per hour as a independent stylist or a percentage of \$80 if you are a commission based salon

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### STEP 3: ADD YOUR COLOR COST ON TOP

Add your color on top. At the end of your session take your SalonScale number and add it to the bill.

### LABOR TIME + PRODUCT COST = PRICE TO CUSTOMER

Example:

Hourly Rate = \$100

Color Ended Up Being: \$30

Total Session Time: 2 Hours

**\$200 + \$30 = \$230 CHARGED TO THE CUSTOMER**

Doing it this way ensures that:

- You have covered your break-even cost of \$20
- You have covered your product cost of \$30
- You have made \$80/per hour in profit

[Download the Spreadsheet To Enter In Your Own Numbers](#)