SERVICE PROFIT WORKSHOP – WORKSHEET

Average Hourly Ticket

A. Did you know?

An increase in *Average Hourly Ticket* by 10% can increase your profit potential tremendously.

B. What is the Average Hourly Ticket?

It is the average amount you charge for 1 hour of treatment.
It excludes any retail sold to the customer post-treatment.

C. Calculate your profit gain potential

Enter your current *Average Hourly Ticket* and estimated profit in section 1 of the below table.
In section 2, enter your new targeted *Average Hourly Ticket*.
Then follow the instructions to calculate your new profit.

1. CURRENT

Average Hourly Ticket	
Profit per hour	

2. NEW

Average Hourly Ticket	
Profit per hour	

Additional profit per hour	
Additional profit per week	
Additional profit per month	

Retail / service business

1. Did you know?

Our founder Jane Wurwand worked with a ratio of retail / service business of 50/50.

- 50% of the revenue came from services, and 50% from retail.

This ratio maximizes profit levels.

2. What is your split between services and retail?

Fill out the below table with your service and retail revenue for an average month.

	$	%
Service revenue		
Retail revenue		
Total		100%

3. How does it work?

Profit potential is generally higher on retail business.
For services, profit can vary between 10% to 45%.
Many factors impact your opportunity to generate higher profit levels with services (pricing of service, wages or commission levels, amount of products used in the treatment…).
For retail, it delivers between 30% to 45% of profit. It is a reliable source of profit.

4. Examples of profit gains

These examples show the additional profit a skin center can generate by simply increasing their retail business.
The numbers are examples, which help see profit gain potentials.
In these examples, we are taking revenues that would be generated in one month.

1. Retail business at 15%	Revenue $	Revenue split %	Profit %	Profit $
Service	$ 8,000	85%	25%	$ 2,000
Retail	$ 1,400	15%	35%	$ 490
Total	$ 9,400	100%		**$ 2,490**

2. Retail business at 25%	Revenue $	Revenue split %	Profit %	Profit $
Service	$ 8,000	75%	25%	$ 2,000
Retail	$ 2,700	25%	35%	$ 945
Total	$ 10,700	100%		**$ 2,945**

3. Retail business at 40%	Revenue $	Revenue split %	Profit %	Profit $
Service	$ 8,000	60%	25%	$ 2,000
Retail	$ 5,400	40%	35%	$ 1,890
Total	$ 13,400	100%		**$ 3,890**

4. Retail business at 50%	Revenue $	Revenue split %	Profit %	Profit $
Service	$ 8,000	50%	25%	$ 2,000
Retail	$ 8,000	50%	35%	$ 2,800
Total	$ 16,000	100%		**$ 4,800**

5. Calculating profit gain potential for your business.

Follow the below instructions to calculate profit gain potential by increasing retail.

REVIEW OF CURRENT BUSINESS

1. Revenue

Service revenue		A	Enter your average monthly revenue from services
Retail revenue		B	Enter your average monthly revenue from retail
Total		C	C = A+B

2. Business split

Service %		A	D = A/C
Retail %		B	E = B/C

3. Profit %

Service Profit %		H	Enter your estimated Profit % on you service business
Retail Profit %		I	Enter your estimated Profit % on you retail business

4. Profit $

Service Profit $		J	J = H x A
Retail Profit $		K	K = I x B
Total Profit $		L	L = J + K

What's your new target for Retail %?	

Choose a number that is higher than the current one, and that is between 30% and 50%.

NEW PROFIT OPPORTUNITY

New Retail Revenue		N	N = M X B / E
New Retail Profit		O	O = N x I
New Total Profit		P	P = O + J