

case study

Salon Owners Cut Turnover by More than 60%





When a husband and wife team bought their first salon as part of the national franchise, they had no idea it would lead to operating 21 salons in a little under 17 years. Nearly five years ago, owners Christy and Bart van de Sande decided to cut their previous payroll provider. As Christy and Bart continued to expand and extend their business, they needed an HR and payroll solution that would help them condition and grow their workforce.

The Challenge

The VStyles collection of salons are part of a nationwide franchise and are scattered throughout Southern California - a state known for strict requirements. As a business leader and HR Director, Christy spends a large chunk of her time making sure their salons are compliant with the latest regulations. "California has state-specific and mandatory requirements that we need to follow," says Christy. "It can be a lot, but if you have the right system in place that can make all the difference." Their previous provider was one of the most well-known solutions, but it didn't offer more than payroll, so they turned to Paylocity. "It's incredibly important that you have a time and labor system that works for your state," says Christy. One of California's specific requirements is a custom pay stub that reflects 10 specific items. "Our previous provider had a standard pay stub that was hardcoded and not what we needed."

Onboarding new employees seems to be a pain point for many employers. Between hours of paperwork, filing and inputting data, HR can often be bogged down in a higher-turnover industry such as a salon. Christy explains, "before Paylocity, we had these packets that we would have to mail to people and then have to manually type the information into the system. No one wants to do that. We run a really streamlined operation. In our office, it's just me, my husband and one part-time person, so these kinds of tasks take a ton of time we don't have."

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Company

VStyles, Franchisee of Hair Salons

Industry

Professional Services/Franchise

Location

Murrieta, CA

Size

140

Customer Since

2017

Challenge

When the franchise owners gained access to their HR data and people analytics for the first time, they realized they need to address their turnover which was hovering at 75%.

Featured Solutions



Results

After two years with Paylocity, VStyles cut their turnover 60% by investing in their staff. They prioritize learning opportunities and incentivize employees who stay longer than a year with additional PTO and other perks.

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The challenge of recruiting, training, and retaining top talent in the cosmetology industry is not unique to VStyles. "We were never able to easily track our people metrics," Christy explains. "We felt like we had high turnover because our industry is quite labor intensive, and many of our new hires start here and then sometimes want to move on to do full service. But without being able to easily track our analytics previously, we actually had no idea where we compared with our industry. And if you don't know where you stand, it is hard to know where to go to change it."

The global pandemic shook up the high-touch industry, causing them to shutter their doors for months on end. While the salons were temporarily closed, getting critical information to employees was increasingly important.

The Approach

Switching HR and payroll providers, Christy was able to customize her pay stubs to meet California's requirements. "Paylocity had a custom pay stub team to work with me to design exactly what we needed, and it was so easy and passed our attorney's review." While California in many cases leads the charge for legislation, during the COVID-19 pandemic, new bills were coming down the pipeline for employers at a whirlwind speed. "I was able to take Paylocity's FFCRA training while everyone's head was still spinning. Paylocity made it so easy with codes

and tracking right within the system. The training really clarified how it would work, and the Paycheck Protection Program (PPP) reporting was great too. Paylocity was really on top of it and ready to help employers figure it out."

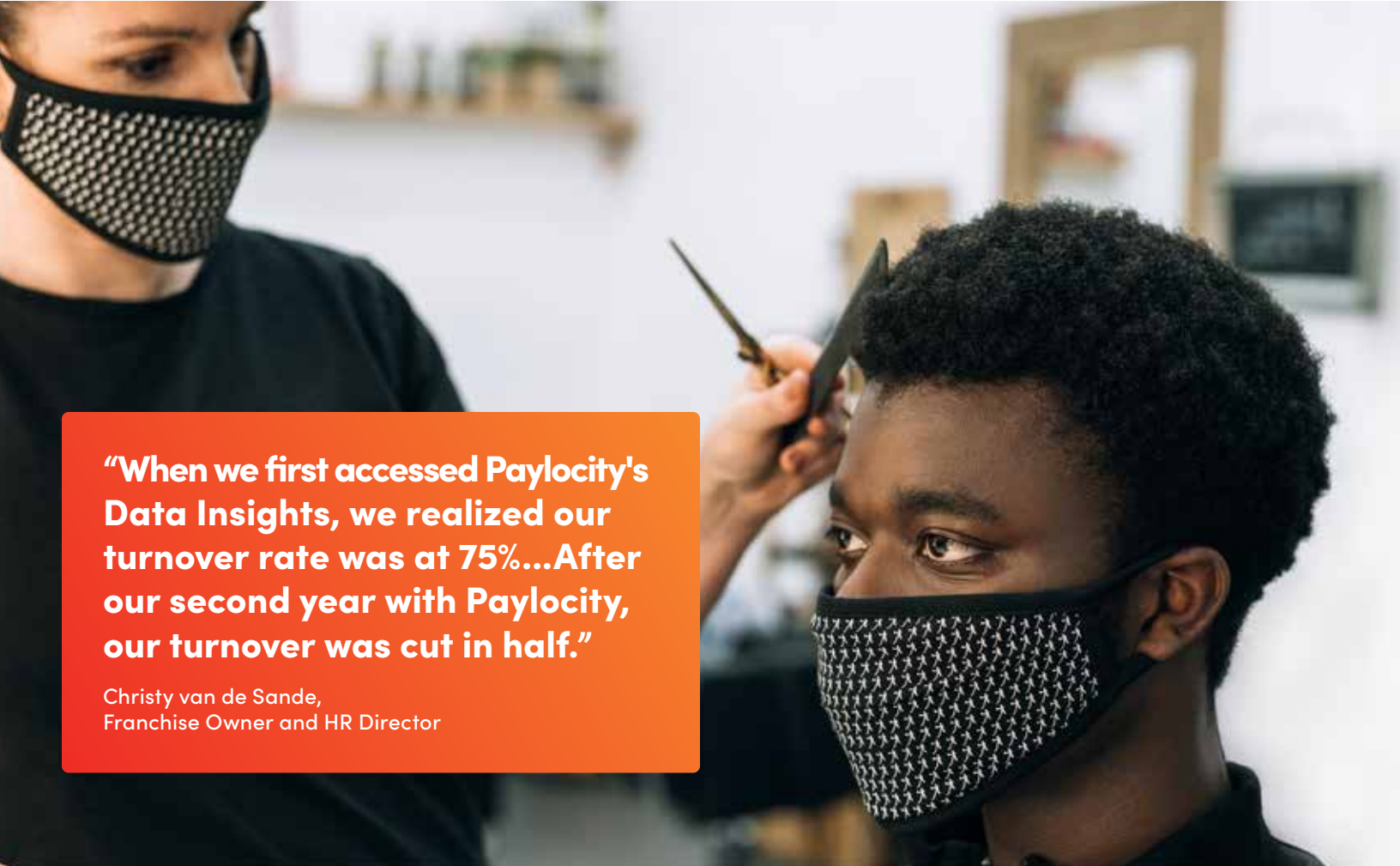
With Christy's limited office staff, she has to rely on her general manager and store managers to help with interviewing prospective employees. Christy cannot be everywhere at once, so she empowers her managers to extend her reach. "We give our managers autonomy. They are trained on how to use Paylocity's Recruiting and Onboarding. The system has really streamlined things for us. A lot of our workforce is right out school, and many prefer to communicate through text message. With Paylocity we can use the same system to send and receive text messages with the candidates, and they are all stored within the platform. Once hired, that information moves into Onboarding and into their new hire file. Our process is now entirely paperless."

As communication with employees had also become increasingly challenging, Christy turned to Community, Paylocity's social collaboration platform and internal communications tool. She was able to post announcements about the reopening requirements – ensuring the timely updates were sent directly to her staff's mobile devices. The application with push notifications became a saving grace when her employees were without access to their company email addresses or physical bulletin boards for critical information.



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Working in a salon is a very personal experience. Christy says, “It’s a people business. We don’t have any inventory or food costs. It’s easy to forget there are numbers behind the people.” Christy’s previous system didn’t allow her to easily pull reports or have access to the data. “When we first accessed Paylocity’s Data Insights, we realized our turnover rate was at 75% which seemed really high. We made some changes internally, such as offering incentives for employees who stayed longer than a year. We also spent more time training and investing in our employees’ future. After our second year with Paylocity, our turnover was cut in half. Our data has also shown us that when we recruit people directly from school, and they make it to the one-year mark, they typically stay with us longer than if we hire people with more experience. Having these tidbits helps us in our recruiting process, and we never would have this insight without access to the benchmarks and dashboards.” Christy was also able to leverage the dashboards in Time and Labor to figure out how much payroll to run at each salon based on customers and the number of haircuts per hour.

Maintaining compliance and developing employees is an important role in HR. Christy leveraged Paylocity’s Learning Management System to track the mandatory Sexual Harassment training. Previously, they used an outside company, but leveraging already available tools with Paylocity saved them money and allowed them to keep the data all in the same system. Christy also was able to record her own videos and training courses, such as how to change time punches and more – making her team more effective.

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The Payoff

The partnership with Paylocity has given Christy and Bart time back to devote to other areas of the business. By helping reduce turnover from 75% to below 30% and saving her team 12 hours a month on compliance, Paylocity has allowed the team to focus on more strategic initiatives and grow their business. Christy says, “Paylocity is always improving the product for the better and the modern workforce. Everything our employees need access to they have through the Paylocity app. They can view their schedule, their paycheck, request time off or do an expense report all from their phone.” Employees save one hour per week by viewing their schedules, paycheck, PTO requests, and expenses through the Paylocity mobile app which can lead to more productive employees. Not only was this easier for Christy’s employees but also for her general manager who travels between salons and can access employee records without a filing cabinet. “All our files are in the system,” says Christy. “When an employee acknowledges a document, completes training, or does their performance review, all that information is stored in one place, making it so much easier to track and maintain compliance.”

Access to the numbers has been a game changer for Christy and Bart. With Paylocity's new Modern Workforce Index, a patent-pending AI dashboard, VStyles has a birds-eye view of key metrics. Being able to index where the salons are against the industry and make decisions on the data is driving the strategic vision for the franchise.

“Our current utilization score is 84%, which is great but also shows some room for improvement,” states Christy. “I love the transparency into industry benchmarks and where our competitors are currently ranking. It’s a thrill to see that we’re above the competition! But the best part as an owner, is to know that your investments are paying off. With MWI, we’re able to see how the time-savings translate, and we’re on track to save \$24,000 this year!”

Leveraging Paylocity reporting features saves 16 hours each month for Christy since she doesn't have to manually pull the reports together. “I remember actually the first time I used a graph in a presentation that I pulled from the Paylocity dashboards. I was able to demonstrate the growth and retention we’ve been able to achieve in a beautiful chart. It made it much more professional and impressive with very little manual work or formatting.”

During the COVID-19 crisis, as legislation changed, Christy turned to Paylocity’s support team and resources. “We had new codes to learn and understand. But Paylocity was able to help. They put out resources such as webinars and adapted the product to accommodate the changes. One of the biggest selling points for me is that their support team is very helpful. With our previous provider we were routed to a call center somewhere on the other side of the world, and they could never really solve your problems. With Paylocity, the service is excellent. I've never had a situation that they couldn't figure it out.”



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