

NORTH AMERICA: *United States*

HISTORY

Prior to 2008

- A rapid increase in the absolute number of hotels/resorts with spas.
- Strong competition among properties for experienced spa managers/directors.
- Companies hiring individuals without prior spa management experience whom they thought could grow into a terrific spa director. Candidates are found in different service sectors and within properties.
- Rapid promotion within spa companies: hands-on providers with people skills became managers; managers with minimal financial/human resources skills became directors.
- Property-level spa managers and directors were not expected to be skilled at budgeting, marketing, sales, human resources, public relations, finance, or retail management.
- Successful spa directors and managers moved frequently from property to property, from company to company, and received excellent increases with each move (about 12 to 18 months apart).

2008 to Present

- Spa development plateaus as existing properties have already added spas, and new property development dramatically stalls.
- Strong competition among spa managers and directors for scarce positions.
- Many spa managers/directors staying put in their secure positions for fear of being laid off at next employer.
- Professional development stabilizes. As properties tighten their belts, few hands-on providers became managers; few managers become directors. Some spa directors are laid off and spa managers are promoted to his/her position.
- As properties reduce staffing levels, they favor spa professionals with talents in areas traditionally regarded as pluses, or even non-essential: budgeting, marketing, sales, human resources, public relations, finance, and retail management.
- Spa professionals grow in place. Professional movement decreases dramatically. Performance expectations rise. Non-performers lose their positions and have little opportunity for re-employment.

Spa Management Positions in the United States:

- VP of Spas – Approximately three to four people hold this title.
- Corporate Director of Spa Operations – Approximately 30 people are responsible for 10 or more spas. The title used varies by company.
- Regional Spa Operations Director - Approximately 16 people responsible for two or more spas, but less than six.
- Spa Director – Adding together the hotels/resorts, Forbes Five & Four-Star and the AAA Five Diamond & Four Diamond hotels/resorts with spas, plus the destination spas in the



SPA INDUSTRY BRIEFING: *United States*

U.S., there are approximately 700 properties. Depending on size, there would be a spa director or spa manager in charge of operations.

- Assistant Spa Director & Spa Manager – Most large hotels/resorts/destination spas have between two to three spa managers or one assistant and one spa manager, depending on their size (square footage and number of treatment rooms) and quality.
- Other titles we see in use: Treatment Manager; Fitness Director or Manager; Operations Manager; Recreation Manager; Salon Manager; Spa Sales Manager; Retail Manager; & Guest Reception Manager.

CURRENT SITUATION

Spa operations consultants are plentiful in the U.S. Because there has not been enough work for all of them, some people have moved, at least temporarily, to Asia or Canada, where there are more development projects. Some consultants have applied for high-level, high-profile, and higher-salary spa director positions, but usually the owner or general manager remains unconvinced, because she/he knows that once the economy recovers the consultant disguised as a spa director will return to his or her entrepreneur role. Plus, the consultant may not be able to fit in a workaday culture.

We know of seven corporate or regional spa operations individuals who lost their position in 2009 - 2010 due to the position being eliminated. One hotel/resort company eliminated all regional positions (six), excluding the person at the top and one assistant. One worldwide hospitality company did the reverse and promoted their head of spas and hired four senior directors plus additional management positions; this particular company is committed to expanding their footprint of spas around the globe.

There have been few spa director positions available in the last 12 months where the salary range was over \$100k. This is partially because spa directors have stayed in their positions, not wanting to leave a relatively secure position for fear that they would be the last person hired and the first person laid off at a new property. Due to this, there is a lot of pent-up career demand with people who are ready for a new position and/or responsibilities, but there has been little movement. For the first time in many years, the employer is now in a position to be able to select from a number of terrific candidates, whereas in past years there were more positions than candidates, and the candidates commanded the show.

Probably 40+ spa directors are ready to move to a new position, but are primarily interested in a regional or corporate position. This is now a common theme for people who seem to be burned out by day-to-day operations of one spa and believe they can handle increased responsibilities and possess the strategic skills for a higher level position. We recruited a senior director of spa operations & development for a worldwide company with 40+ properties and it was a long, drawn-out interview process to find the person who had the skills/experience/personality to handle multi-properties and be able to easily relate to owners and general managers. We handled two searches for spa directors at

mega resort spas (over 40 treatment rooms) and dozens of people applied. One client wanted a spa director who hadn't moved around every one or two years, and this requirement upped the ante to find the right person, because the movement of directors has been so frequent the last few years.

A few clients found that many out-of-work candidates were interested in their position. Those applicants were not often seriously considered. This is a common theme of employers wanting to find the very best candidate and feeling nervous about hiring someone who has been out of work and looking for months. The feeling is that this person has most likely lost his/her competitive edge. Some candidates have accepted positions outside of the U.S.

SUMMARY

Since 2003 our management recruiting firm has focused on the spa business. In the last seven years we have placed 61 spa management professionals in 36 companies, primarily in the United States.

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