



Salons for rent

Hair stylists become business owners at studio complex



MARTY CAIVANO / Daily Camera

Stratton Smith, left, and **Matt Briger** started Sola Salon Studios in Boulder after seeing the success of their sister business in Highlands Ranch. They are opening another in March in Cherry Creek.

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in 1995 as partners in ARC, Affordable Residential Communities, a Denver-based manufactured housing company that went public in early 2004.

The Boulder complex is Sola's second in the state; a 30-studio location in Highlands Ranch opened in July 2004 and was fully leased within four months. A Cherry Creek Sola is scheduled to open March 1. Smith and Briger plan to launch an additional nine Sola facilities along the Front Range during the next two years, and are currently branding Sola as a franchise.

Smith, a Wichita, Kan., native with a business degree from The University of Colorado, opened five salons in St. Louis in the early 1990s.

"I sold them in '95, and swore I'd never get into this business again," he says. "It looks simple, but the traditional salon business model is difficult to oper-

ate."

Sola's business model is based on real estate, Smith says, with knowledge garnered from ARC's nationwide rollout. "Matt and I like growing companies, and we complement each other. I'm into ideas and marketing and he's more of a numbers guy."

In 2003, Smith was invited to look at a salon complex in Omaha, Neb.

"It was a one-off," he says. "We adapted that model and put a spin on it to create Sola," Smith says. "There are other complexes similar to ours in Dallas, Phoenix and Baltimore.

Most are one-offs. We feel our franchise model could change the way the industry operates."

The Boulder space, found by Smith and Briger, with the help of Charles Gee, of 40 North Commercial Real Estate. Sola holds a long-term lease for 30 percent of the building, about 7,000 square feet.

"We are 15 percent leased, and we offer one- or two-year leases, and everyone has chosen the two-year option," Smith says. "The weekly rents in Boulder range from \$215 a week up to \$430 for the doubles, including utilities. We also have two studios for nail techs at \$140 a week."

Sola's startup costs for its first three ventures have ranged from \$600,000 to \$1 million, he says. The company provides clients with renovated studios complete with plumbing and sinks, cabinetry, hydraulic chairs, and other incentives such as their first \$1,000 worth of retail sales product. Studio interiors are designed by Boulder's Bullseye Design, owned by Smith's wife, Kristi Smith, and Kristen Fitzgerrall.

"Our marketing strategy is based on targeting career-oriented clients who are already established," Smith says. "We go to areas where salons are highly visible, such as Boulder."

Where traditional salons make it difficult for stylists to nurture personal relationships with their customers, the Sola model provides privacy and more, he says.

"Clients come to us to escape the salon politics, to control their own destiny, to increase profits and to be able to sell retail products. Twenty to 30 percent are ex-salon owners who don't want to have to hire other stylists anymore."

Sola's recruitment is by word-of-mouth, referrals from salon product distributors and direct mail by zip code to licensed cosmetologists.

"We tell them about being in business for themselves, not by themselves," Smith says. "They can have their own spaces, but when they want to be with other stylists, they can be."

Sola currently has franchisees in the site selection process in Georgia, Florida, Ohio, Califor-

nia and Kansas. Smith expects the first franchised Sola to open in Atlanta by the third quarter of the year. Smith and Briger plan to own and operate the Front Range locations.

"Depending on the market, it may make sense for our franchisees to own the real estate," he says, "but the costs to build from scratch here are high compared to costs for a long lease on an existing space."

Turczyn, whose career started in Chicago, came to Boulder in 1998 and met Rylander about five years ago in a Boulder salon where the two were working.

"We'd been kicking around the idea of our own space for about a year," she says. "We'd seen ads to take over salons that were for sale, but we didn't have the necessary capital, and we didn't want the responsibility of employing other stylists."

When the Sola postcards arrived, offering a chance to own your own business in a small rental salon, Turczyn didn't know what to make of it.

"Neither of us had ever heard of such a thing," she says. "We went to see the Boulder salons in the drywall stage and fell in love right away. We also visited Highlands Ranch and were very impressed."

Turczyn and Rylander signed a two-year lease, and personalized their space by adding hardwood floors and asking regular customer Shari Moraga to paint the studio walls.

"This has been a total learning experience," Turczyn says. "Of course, we had to have the capital to put down several weeks of rent, and I had to finance two full color lines, which costs in the thousands. But I had saved up, so no borrowing was necessary, and that was very important since I recently bought a home."

Going the Sola way was the ideal startup, she says. "If they hadn't come along, we'd still be mulling over the idea of our own salon. Even if I want a bigger space someday, this will have been the stepping stone."

Rylander is particularly appreciative of the Sola approach to helping first-time business owners, including a startup packet from Sola about city sales taxes and other resources.

"They've made it easy and non-threatening for an experienced stylist to create their own unique environment," she says. "We've gotten positive feedback on everything from our customers. They love the convenience and the easy parking. And our studio is such a nice change from the drama of a big salon."

For more information go to www.solosalonstudios.com.

