



## Color Bar - The Business

Color Bar is a new hair and beauty concept, which specialises in colouring men's and women's hair. The business was established in October 2006 by Neil and Amanda McCallum who each have over 20 years of experience in owning and operating multiple hairdressing salons.

Neil and Amanda had identified an opportunity in the market for a colour only concept. They realised there was a gap in the market between full service hairdressing salons and the home colour self-applications.

The concept is simple; Color Bar provides high-end colour services at very competitive prices, with emphasis on customer service excellence. The design itself has been created so as to represent a bar as a way of encouraging a more social atmosphere.

Crucial to the success of the Color Bar concept is the application of the highly successful Million Dollar Salon™ program. This program, developed by Neil and Amanda over a period spanning 2 decades, is the cornerstone of the Color Bar salon system, and has been made available by licence to the Color Bar franchise.

Following the establishment of the flagship salon in Brisbane, the objective was to establish a national network of successful salons and become the brand and market leader for hair colouring throughout Australia.



## The Challenge

Once the Color Bar concept, together with the already successful Million Dollar Salon™ program, had been tried and tested successfully, and the goal for national expansion identified, the key challenge was defining how to achieve the desired growth and expansion. The plan for growth needed to address the following challenges:

- Identify the appropriate business model for growth
- Determine the appropriate structure for each potential business unit
- Understand the optimum infrastructure to drive and manage growth
- Identify the cash flow and capital growth requirements for the business
- Identify best practice systems, procedures and documentation to enable controlled growth

## The Solution

In order to identify and achieve the plan for growth, Color Bar management engaged DC Strategy to provide expert advice on growing a national network. The project focused on several key areas including:

- An economic analysis to clarify the scalability of the business and define the optimum structure for a profitable network
- The strategy for growth including the rollout plan and the management structure required to manage such growth
- The commercial strategy and policies for operation
- Specific enhancement of the Million Dollar Salon™ systems of operations unique to the Color Bar concept to assist franchisees and to ensure uniformity throughout the network
- The implementation of a thorough recruitment screening and selection process
- The development of the governance structure and the production of the appropriate legal documentation to support the structure

## The Outcomes

The project achieved a number of outcomes for Color Bar:

- There is a defined growth plan in place and management are now confident of the steps required to achieve their objectives
- The optimum head office structure has been developed to support expansion and drive the growth
- The operational systems and procedures have been developed and documented, which, together with the Million Dollar Salon™ programs, not only assist franchisees, but ensures the network is scalable and robust
- The owner operator model reflects the future growth and ensures owner operators have a valuable asset structure

Through the network development process and the licenced Million Dollar Salon™ programs, Color Bar has developed the systems and policies required to grow a national and international network. Most importantly the company now has the infrastructure necessary to support the network through its expansion.

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