

Celebrity stylist Anthony Cristiano talks surviving the pandemic as a luxury salon owner

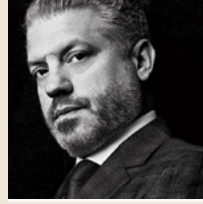
PAYCHEX
Business
Series

Coronavirus



Gene Marks

CPA, Columnist, and Host



Anthony Cristiano

Celebrity Hairstylist

Full transcript

Gene Marks:

Hey everybody, welcome to the Paychex Business Series podcast. I'm your host, Gene Marks. I'm a certified public accountant and regular business columnist for a bunch of publications, including *Forbes*, *Entrepreneur*, *The Hill*, and *The Philadelphia Inquirer*. But more importantly, I'm a small business owner of a financial and technology management services company. I've teamed up with Paychex, the leading provider of human resources, payroll, benefits, and insurance services, to bring you real-life advice from real-life business owners and industry experts.

In this podcast I'm going to talk with one business owner about the complexities of running his business and how he's handling the challenges they face. That business owner is Anthony Cristiano, who owns Anthony Cristiano Salon in downtown Chicago.

Anthony, first of all, did I pronounce your name right and the name of your business? Because I'm terrible at that.

Anthony Cristiano:

Oh yes you did, Anthony Cristiano. Thank you.

Gene Marks:

Good, I did it well. That sounds good, I'm glad to know that. So it's anthonycristiano.com, A-N-T-H-O-N-Y C-R-I-S-T-I-A-N-O.com. Anthony, tell us a little bit about the salon. When did you start it up? Tell me what your business is all about.

Anthony Cristiano:

Well, we opened up our business in June 2012, so roughly about eight years ago now. The business took all my fashion experience and beauty experience and just fused it into one. We just wanted to create a really beautiful experience for our clients. We are in one of the most beautiful buildings in the country, and we've created one of the most gorgeous salons in the country. We sit on top of the Chicago River, and it looks like an infinity pool and we're just floating, so it really ... I wanted a luxury experience for our guests.

Gene Marks:

That's great.

Anthony Cristiano:

Not that we're reinventing the wheel, we just thought to execute it better than what some of our industry leaders are doing.

Gene Marks:

How many years ... What were you doing before you started the salon?

Anthony Cristiano:

Well, before I was what you call a freelance hairdresser, eight years prior to it, and essentially working primarily based out of Los Angeles and traveling from LA to New York to Chicago, and a lot of work in Paris. So we were working primarily with private clients, celebrities, doing photo shoots for editorials for models. I work quite a bit with Sports Illustrated magazine, where in the last seven issues I've gotten three of the last covers that you may have seen.

Gene Marks:

Wow, that is very cool. You know, it's funny because your model ... People ask me about starting up a business all the time, and you did it the exact right way, in the sense that you put in years of cutting your teeth and learning your trade and what to do and what not to do. Then you said, listen, there's been lots of hair salons in the world, that doesn't mean you can't open another hair salon. It's just you bring your own thoughts and ideas to it, you do it that much better. That's how you start a business: not to come up with something new, you come up with something better, right?

Anthony Cristiano:

Yes, exactly. I just thought that if I could surround myself around great people and execute things well and create more of an experience for my guests that we would be successful.

Gene Marks:

Running a hair salon, a luxury hair salon, in downtown Chicago with the kind of resume that you have, the clients that you've worked with, the references that you have, it's great. I know you are doing very, very well. Then, of course, a global pandemic happens, which shuts down the world, including the city, and really has a big impact on certain types of businesses, and hair salons is one of those types. What happened to you during all this?

Anthony Cristiano:

Well, we put the brakes on, we closed the salon down March 20th. I immediately reached out for advice and did my best to surround myself around great people, Paychex being one of them, that we reached out to the human resource department. I wanted to ... My main concern was my staff and getting them as comfortable as possible. We closed the doors on that Friday, and Monday they received their furlough packages. I'll tell you, the government did an amazing job—they received their cards within three days. What made me sleep better at night is that my staff was comfortable, and they were paying their bills at home.

Gene Marks:

When you say your staff, a lot of salons have independent contractors. Are your people employees, or a mix?

Anthony Cristiano:

They are. My people are employed by me. We have hourly employees, plus we have commission-based employees as well, so they are all employed by us.

Gene Marks:

So your biggest cost is payroll, but what about your other bills—how did you pay them during that period of time?

Anthony Cristiano:

Well, we just had to go through our reserves and our working capital and just manage through it. I immediately, then, reached out to my bookkeeper, who's amazing, and my accountant, who both helped me navigate through the process of it.

Then, in those close to three months of being closed, we just did our best to remain optimistic through the whole process. I really looked at my brand, I really looked at my space, invested dollars back, maybe dollars I needed to spend, not that I could spend them. I basically went through every inch of the space. I repainted, I recovered all the chairs. We redid the wood floors in the front and just thought about what it's going to be like when we do open, that I'm prepared and what I needed for all the PPE protection, things for my staff and the clients. So it was, again, about what I'm going to do when we do get open, and how are we going to execute it all.

Gene Marks:

You mentioned reserves. Was this all out of savings?

Anthony Cristiano:

Yes.

Gene Marks:

It's interesting that you say that. You had savings, and they prepared you for, literally, a three month closing. How grateful were you that you had the cash on hand?

Anthony Cristiano:

I mean, very. We were in a good place, fortunately, for our business. We were able to actually just pay off in April our business loan from construction that we loaned out eight years ago. Obviously, you're never prepared for anything like this to happen, and the last thing we wanted to do was to go back in and acquire debt.

Gene Marks:

Sure.

Anthony Cristiano:

But I really believe in what we're doing, I believe in the staff. I just looked at my wife, who's my business partner, and I just said, "This is the time that we're going to have to go back in and reinvest in ourselves and in the business and take a leap of faith."

Gene Marks:

Why is it, Anthony, that ... Listen, you just said you did furlough your employees, but you continued to pay your operating expenses out of cash, you made investments in your place, upgrading it, getting ready for the reopening. You're purchasing supplies, PPE, you paid down your loan as well. This is all going on while you had no business to run. But, you had reserves, you had savings to do all of this. Why did you have those savings, and yet I talk to so many other business owners that were not in the same situation? What is it about you, the way that you run your business?

Anthony Cristiano:

Well, what we did ... Obviously, it wasn't a great deal of savings. We also had a credit line as well, in our line of business, that we worked off of. We tried to be as conservative with the business as possible. In our line of business, the bottom line is very small, the margins are very small. In the hairdressing community, when you support your staff, roughly at least at the minimum, 60% of your dollars coming in is going out to staff and rent and utilities and so on. So at the end of the day, you're running your business at, say, a 12% margin. So we just always, always did our best to save for a rainy day. I'm fortunate to have my wife in the office, just watching every penny that's being spent and how we spend it. I think just those little details helped us.

Gene Marks:

What about your customers? Are you concerned that some of them may not come back?

Anthony Cristiano:

I feel the customers will eventually come back, but there's definitely a concern. I mean, we've been opened up for just slightly over a month; we opened up June 3rd, 2020. We had what I would say ... I came to work every day, and I answered every phone call personally, and I booked every appointment personally, so I had close to three months to fill my June. But, when I start looking at our July, you can see it's a little concerning, as far as where the business is at, where the city is at.

Until our customers come back from, say, their summer break, their summer vacation, when offices are starting to get filled ... Most offices may not open until the end of the year—that's when I feel like we'll get back to somewhat of a norm.

Gene Marks:

Do you think the trend toward working from home could have a long-term impact on your business?

Anthony Cristiano:

It most definitely can. We're relying on business that comes from all over, and a good portion of it is not driving into the city. I think that's going to affect quite a bit of businesses.

Gene Marks:

Have you thought about what you're going to do to meet that challenge?

Anthony Cristiano:

We are. I actually have a meeting tomorrow, I'm actually going to look at a bit of PR, start interviewing people to see where we can help get the business out there a bit more. So again, another possible reinvestment into it. I'm looking at my business as if I'm starting it all over again and just reevaluating procedures, protocols, and how we approach things, and the message that we're going to put out there.

Gene Marks:

What about your employees? Are most of them coming back, have most of them returned to the business?

Anthony Cristiano:

I am so grateful, we had every employee come back on day one when we opened. With the exception of one, only due to one being out on pregnancy leave, and that one employee's due to come back in August. We're grateful for that. And that was my point of me coming to work every day and showing up every day. I think I worked harder during the quarantine. I never stopped working. I was working 10-hour days.

Gene Marks:

Yeah, I hear that from a lot of other business owners. I felt the same way myself. For some reason, there was just a lot of work to do, and you were wondering why you weren't doing it before. It's almost as if the quarantine gave you the opportunity to take a step back and really reevaluate your entire business, and your life.

Anthony Cristiano:

Oh, 100%. I mean, if you didn't come out of quarantine more grateful and more appreciative of things that you have and the people around you, then you wasted time there. It was definitely a time of reflection, and it was also a time to put it into gear.

I'm a very optimistic guy, and I really sweat the small details. I don't sweat the big details, I sweat the smaller things, the things that maybe no one may notice, but they might feel it when they walk in the door.

Gene Marks:

What kinds of things do you mean?

Anthony Cristiano:

You know, it is the smaller details. For example, just redoing the wood floor in the front, it made my clients feel like I redid a whole new salon. The furniture, all of a sudden, looked brand new. Just little things of that nature. It's the placement of things, where everything goes. Everything has a place, there's not clutter. I think that's important. That's what I did—I just cleaned house.

Gene Marks:

You are an optimistic person, and you'll be fine. I'm curious, during this period, what did you do to keep yourself optimistic? And even now, just personally, how do you separate your work and your life?

Anthony Cristiano:

They are almost one and the same. I'm a guy that ... Not that I take it home with me, but the fact is that we have three kids that are growing, and I do my best to separate the two, but I open and close every day, and so does my wife Antoinetta. We are present in the now. There were definitely some very overwhelming days and then the next day it got better. And with each day, you hope it gets better.

There's just a certain line of uncertainty, and I just think you have to trust your path and believe in yourself and believe in what you're doing. Just work through it, surround yourself around better people than yourself, with more knowledge, that can help you. Relationships, for me, were key in this time. I have a longstanding relationship with the banks that I work with. My bookkeeper helped me get through the process of filling out the PPP loan for the SBA. I'm grateful. I think the administration and our government got the people the money, and I really feel that it is going to give me my lifeline to get through some of these slower periods. Now, with them extending the weeks of that loan, fingers crossed we're doing it right, and we hope that the majority of it will be forgiven.

Gene Marks:

Yeah, I would expect that would be the case. One final question before we go. Since the lockdown has happened, I've had to color my wife's hair twice already, and she's threatening that I'm going to have to do it one more time. So, any advice?

Anthony Cristiano:

Oh, I would say try to get back to the salon as soon as possible.

Gene Marks:

That's what I've been telling her.

Anthony Cristiano:

Is she coloring because she's not feeling safe at the moment to go out and expose herself?

Gene Marks:

Right. Well, actually, up until last week in Philadelphia the salons were all closed.

Anthony Cristiano:

Okay, that's right, that's right.

Gene Marks:

Whether she feels safe or not is also up in the air, so she said I may have to do it one more time. I have to tell you, it's not enjoyable for me to do, it's not something I do well.

Anthony Cristiano:

You realize how essential your hairdresser is.

Gene Marks:

I do, and I'm going to make sure that I pass along the advice from you, because out of anyone, that's the advice that she'll absolutely take. Anthony, I want to thank you. For more information on what we discussed today and other coronavirus questions and topics, please visit the Paychex Coronavirus Help Center. The address is paychex.com/coronavirus-resources.

I was speaking to Anthony Cristiano, who's the owner of Anthony Cristiano Salon, a luxury salon in downtown Chicago. It's anthonycristiano.com. Anthony, thanks, your advice is really worthwhile and helpful and optimistic. I'm sure you'll be fine and find ways to reinvent yourself.

Anthony Cristiano:

Thank you.

Gene Marks:

Hopefully, we can get you back here to hear how well you're doing, so thanks again. Thanks everyone for listening, and we will see you next time.

Anthony Cristiano:

All the best, I appreciate it.