

Alissa Bayer
Milk + Honey Spa

Lorin: Alissa, tell us your story from an entrepreneurial perspective. Share with us how you got started, and anything you think is important about you and your story.

Alissa: OK... Well, my business is Milk + Honey Spa, right here in Austin, Texas. It all goes back to when I was in college. I started a business with my boyfriend at the time and it just sort of snowballed. It would be a two-hour story for me to tell you all of the things we did but I've known for a long time that I have wanted to do my own thing and have never really had much of a desire to have a normal sort of career.

Lorin: So you were entrepreneurial right from the beginning, right out of college.

Alissa: Yes. But, I went through a long period after college where I worked for a company called the Princeton Review. I started teaching for them when I was still in college. I started working in the office, managing one of their high school programs in Washington, D.C. and their graduate programs at their headquarters in New York. I had a really great experience because it was kind of like running a small business on a larger theme. I worked there for about eight years after my undergraduate degree. It wasn't really until really I went to business school that I started putting serious thought into opening my own business. I did consulting, prior to going to business school and after Princeton Review, but I didn't really find it that rewarding. I like to be independent. I was into helping people, but it wasn't quite challenging enough. I wanted to be solving my own problems rather than someone else's and when I started business school at UT, I just went through this whole big battery of personality profiles to figure out what you like, as well as what you are good at. After that, I just decided that opening a spa is what I wanted to do.

Lorin: I don't think there is anybody I have interviewed so far that has such a normal progression. So, it was clear you were an entrepreneur from the start. Your personality profiles most likely all said that, too.

Alissa: Uh-huh.

Lorin: So, what was it that inspired this particular business, because it sounds like this is not your first?

Alissa: When I was in business school, I did interview for a few jobs and the jobs my friends were getting were all about trading oil futures and analyzing companies, which didn't really appeal to me. I wanted to do something that, at least in my mind, made the world a better place, even in a small way, by just having a positive impact on people. They say you should do what you love.

Lorin: Exactly!

Alissa: Of course, who doesn't love a day at the spa or a spa treatment? But, what I really love is you are just creating an experience that people really enjoy and that touches them. That to me is the solidifying thing — doing something that makes others feel good and contributes to more calm and relaxation in the world rather than more frenetic stress.

Lorin: So, you got started on your own? You did not have a partner this time around?

Alissa: Correct. I am the only owner in the business, but it certainly has been a collaborative effort of all of my family and friends and colleagues, and I have a lot of really great resource people in Austin who have just been incredibly helpful and supportive.

Lorin: Besides guiding you and being able to bounce ideas off them, how else have they been helpful?

Alissa: Certainly there has been financial help, too. A lot of my friends invested in the first phase of business so they were able to help get me started without a lot of debt. I am very lucky to have such a great, talented group of people to call on. I

also had to take a loan for the first spa, as well as the second location. It's just very capital intensive to get up and running. And even though the SBA is backing my loan, they require you to put in a significant amount of your own money into it. I essentially put up half and they put up the rest of it.

Lorin: And your family and friends helped you with that half.

Alissa: Yes.

Lorin: So, how has that impacted your relationships?

Alissa: Everyone has been kind of hands-off with the issue. They just gave me the money and trusted that I was going to be a good steward with it. Also knowing that I took money from my parents, my husband's parents, and a couple of my close friends who had funds they wanted to invest, and that I had the responsibility of coming up with the rest, was a good driving factor. Pretty much everyone but my dad has been paid back now, so I am able to relax. I was able to give them their money back with a nice chunk of interest as a thank you for the trust of doing that.

Lorin: Wow!

Alissa: I paid back the friends first and then family.

Lorin: What recommendation or words of advice would you give to someone who is contemplating borrowing money from friends and family?

Alissa: Don't do it unless you are very confident that you are going to succeed! If I hadn't succeeded, then I would have continued to pay off my friends and my family for the rest of my life until it was done.

Lorin: Exactly, you were committed.

Alissa: It's one thing to turn your back on a bank loan or to declare bankruptcy, but it's a different thing to not pay back someone that you care about.

Lorin: Definitely! Wow! I am impressed with your integrity and even talking about it is a big deal. When you launched Milk + Honey, how long before that did you have a vision for this project?

Alissa: I'd say for about two years...

Lorin: Okay, so you had a vision for the project and it took about two years to get it up and running?

Alissa: That's right. I just created the spa that I would want to go to. Whenever I am visiting a new city, I am always pouring over the search engines looking for different spas and there certainly have been other great examples of places that I am excited to experience, but there wasn't anything like that in Austin at the time. So, my vision was just really creating the place that I would enjoy going, being an example of my own clientele.

Lorin: So, you were a spa junkie.

Alissa: I was a spa junkie, yeah! (Laughing) That's what my friends called me – the spa junkie. I was always convincing them to go get massages and facials and just spending that time together in the spa and didn't really think about opening one until someone suggested it. It took someone else to give me that perspective.

Lorin: And now you get to go check out spas all over the country because it's part of your work! How fair is that?

Alissa: Yes! What a way to have to do research!! I tell ya! I started working on the business plan in January 2004, while I was finishing the last semester of business school and I took it as an independent study. I just started researching the industry and kind of building different financial models and learning as much as I could about it. I had no idea what happened behind the scenes at a spa, so I had a lot of work ahead of me.

Lorin: It sounds like you totally did this by the book! In other words, you were in business school, you wrote the business plan, you had the vision... You *so* followed the rules on this project!

Alissa: Yeah, other than I was doing something that I had no direct experience in. So, that was one big rule I was breaking. People are usually pretty astounded that I had never worked in a spa prior to opening this one.

Lorin: But, you knew the industry well from the consumer side.

Alissa: Yes, just like you still see many people opening restaurants who have never worked in one before. I just surrounded myself with other people who had that type of experience. I was just determined and did everything that I possibly could to make thing work. My business plan was about seventy-five pages long.

Lorin: So it was very detailed.

Alissa: It got to the point that I was really just looking for reasons not to do it more than anything. I just wanted to learn as much as I possibly could. A lot of people think entrepreneurs have a high tolerance for risk and that they're really big risk takers, but I don't think that that's true. For me, it was more about just knowing what I was getting myself into and that I had a feeling of control over how things were going to unfold.

Lorin: That's actually really wise. I think a lot of entrepreneurs go into a new business thinking, "What's the fate of this going to be?" rather than, "There is no fate!" It is totally a choice.

Alissa: I agree! There are certain things that you can't control, just like the economy, but you can at least control how you react to all of them.

Lorin: There was obviously a vision before the business plan. Was it really clear in your mind or was it sketchy?

Alissa: I would say that it was clear. I knew I wanted to create the premier spa in Austin. I wanted it to be the place that when anyone talked about spas, Milk + Honey was

going to be in the forefront of their mind, and really become a leader in local industry. We still have a lot to learn and there is a lot that we can improve upon, considering we've only been open for a little over three years. Sometimes, when I look back, it's hard to even realize how much we've accomplished in such a short period of time.

Lorin: How do you accomplish goals? Do you have a clear agenda each day? Do you set goals for each week? Do you know your goals for the year?

Alissa: I am a list keeper and, in fact, I recently started working with a business executive coach and one of the things that we are going to be working on is how much of everything that I can write down and put on my list that I have to accomplish. I have this constant need to be making progress and checking things off of my list. I have a list that I carry around with me every day that has my yearlong goals and checklist. Every Sunday night, I kind of look back at my previous week's checklist and start looking at all of the important things I need to accomplish and when to accomplish them in the upcoming week. Each morning before I start my day, I review that and pick the few things for that day that I am going to be focusing on.

Lorin: It sounds like you're very structured.

Alissa: Yes, but I certainly have enough time in most of my days where I can kind of go wherever my brain wants to take me that day. It's not that each day is completely regimented, but, yes, I have my five-year plan and my ten-year plan and I know what I want to accomplish this week and this month.

Lorin: Beautiful! Is that how you were before business school or did business school help you with that? Do you remember making lists, making New Year's resolutions, year-end goals and that kind of thing?

Alissa: I've always been that way, and I think out of necessity, I have gotten more so. We all have the same amount of time in each day and it's really just how efficient you can become in making sure you are focusing your time on the important things

that are going to propel you and get you closer to your goal. So, out of necessity, I have refined that skill.

Lorin: You said that you were working with a coach this year. It sounds like there was something that you didn't like about how you were so organized and structured or am I wrong?

Alissa: Well, we just started this process about a month ago. It's just that my life right now is a little bit out of balance, because I need to learn how to shut the business side off so I can just enjoy and be a person instead of always being the entrepreneur, the business owner.

Lorin: You are taking us right into the next topic perfectly. You've said your life is a little out of balance, you are aware of it, and you are hiring a coach to help you. Tell us more about that awareness. What was the light bulb moment that said, "It's time to do something?" Tell us how out of balance it really is, if you don't mind sharing.

Alissa: Oh, it's pretty out of balance. Just to give it some perspective, the first spa opened in January 2006 and about a year and a half after that opened, I signed a lease for my second location out at the Hill Country Galleria.

Lorin: Which I love, by the way.

Alissa: Thank you.

Lorin: It's a great spot.

Alissa: And after I had already started the second location, a project came up immediately next to me that allowed me to grow and expand my current location. So, I was able to go from five to nine treatment rooms.

Lorin: Okay.

Alissa: So, at the end of 2007, I had two construction projects going on at the same time, and I hadn't been open for two years yet at this point. It had just been about

eighteen months when I started signing leases and working on the plans and started the construction. Then, that same November of 2007, there was an opportunity for me to open up a salon in the same building of the original downtown location and last July (2008), I opened up the salon, which was really my fourth sort of project. If you look at the original spa being number one, there was spa number two, then the expansion, and then the salon.

Lorin: Wow!

Alissa: I'm about to sign another lease to do a salon right next door to the Galleria spa location and then I'm done! I get to stop.

Lorin: Was it your original vision to put the two things (spas and salons) together like that?

Alissa: No, no.

Lorin: So, your vision is evolving.

Alissa: Yes, absolutely.

Lorin: I think that's a really important thing to say — that you can have a vision and you can let it layer into something else.

Alissa: Yep.

Lorin: So, let's get back to the life balance issue. I am getting that loud and clear. What was the defining moment that said, "This is way out of control, I need to do something."

Alissa: I don't think there was a defining moment. I am a pretty self-aware person, so even as this was creeping up on me, I was aware of what was going on. It was a matter of telling myself, "Yes, I have worked really hard and if I don't put up some barriers, it might never stop!"

Lorin: Don't you think it's sort of a paradox that you are in the spa business and not taking care of yourself? I'm sure everybody says that to you, right?

Alissa: Yeah. Well, I'm not saying that I don't get my share of massages and facials and pedicures, but, certainly, working in this industry is a far cry from being a client.

Lorin: Definitely! Got it! So, do you have a new, clear vision for yourself and the business? I am hearing that there is a new and upgraded vision that includes your balance in life.

Alissa: Yes!

Lorin: Cool! It's interesting to see how your visions evolve and change. I think that's such an important point. Is there anything else you want to say about balance and that part of your world?

Alissa: I think part of what inspired me to get help through coaching was just this constant desire to improve and continue to learn. I certainly feel it's my job to become the best leader that I can be and I recognize I don't have all of the skills to do that.

Lorin: I like to hear you say that you like to constantly be a student of whatever; now it's to be a student of leadership, which is very different than being a business student.

Alissa: Absolutely. They don't teach you in business school how to become a leader. You see examples of it from other successful business leaders out there that you learn from, but it's not ever really the topic of discussion.

Lorin: When you decided that you were going to go into the spa business, what was the thing that motivated you?

Alissa: I just wanted to do it and see the outcome. In the beginning I think it was just a very self-serving thing for me to do. If I look back at it, it was really kind of selfish. I think of all of the sacrifices my husband had to make and the money that I borrowed and the fact that I didn't go out and get a job directly out of business school. These are all sacrifices that my husband and my family made as well.

Lorin: What was the role that money played? Was money the carrot – the business plan that had the dollar figure at the end of one year and five years? Was that the motivation or was it more the project and being able to say, “I can do this?”

Alissa: Oh, no! It was completely the project and the satisfaction of creating like the brand and the company culture. It’s never been about the money. If I wanted that, I think that there are lots of easier paths.

Lorin: And less expensive paths, too.

Alissa: Yes, but again, I fully believe that if you are doing what you love, you are not going to need as much money to make up for the fact that you are miserable in what you are doing every day.

Lorin: Right, that’s true. That’s a great perspective! I have never thought of it that way!

Alissa: And, if you’ve had less friction in your life in general, by enjoying what you do and just kind of being in that right zone, when you are in the flow of things, everything else starts to fall into place, including the finances. The finances are just a nice side effect of everything else being in balance, not including my work-life balance. I am still tremendously enjoying what I am doing, even if I am often working eighty hours a week. I am having fun, but just because I am having fun does not mean that I can keep it up forever.

Lorin: It’s very true. It’s a pace that you might love, but it’s not one that you can keep up. So, you mentioned your husband. What has his role been in your business success?

Alissa: Oh, he’s my number one consultant, counselor, and confidante. He’s been solely responsible for ensuring that we can pay all of our bills and everything else over the past several years, and he’s incredibly supportive of the whole thing.

Lorin: Does he work in the business with you?

Alissa: He’s a partner at a pretty quickly growing company in town, but to say he doesn’t work for Milk + Honey would be a lie, even though that’s not his day job. With

some of the expansion and things that I am considering right now, he also plays a really good devil's advocate, because I can tend to get really excited and really just want to push through and do some of these projects. I want to do my due diligence, and I am very thorough, but he's not afraid to tell me to put on the brakes or rethink things.

Lorin: I am curious to know what role spirituality has played in your success thus far, because you've experienced quite a lot of success in a short amount of time.

Alissa: I think at least being open to other ideas in general has allowed me to be a lot more flexible and not get too trapped into my own patterns of thinking. Spiritually, I am an atheist, but I am a very big believer in karma and that The Universe has this nice way of ensuring a kind of balance and harmony in the world. It is really important to me that I am putting good out through the business. I would say that just because I am an atheist doesn't mean that I don't have a sense of connectedness to those around me and an awareness of putting things out into the world that will come back to you.

Lorin: Karma; that's generally what karma is all about.

Alissa: Yeah, absolutely. I am being very aware of that and of how I am using the business. While making a profit is, of course, the purpose of business, a commonly held Western definition of the purpose of business is "to increase shareholder value." If you ask a Japanese person or someone from the East about the definition of business, his or her answer is, "to increase value for the community, for the employees, and for the shareholders." It is this nice balance of all of those factors that I am striving for. If one operates a business at the expense of the environment or the employees, everything else gets very out of balance. If there is an aspect of spirituality that affects the way I run my business, that would be it.

Lorin: Interesting. I have a couple of other questions. What you would say about your intuition when it comes to both your personal and your business success?

Alissa: I think I rely on it heavily. At this point, my intuition hasn't done me wrong. I am highly aware of what's going on between the lines and things that are unspoken – how things are related that might not be fully apparent on the surface. I think the combination of me being able to read a financial statement and analyze something, looking at demographics and marketing and all of those numbers, and having that be in line with my gut check has been a good combination.

Lorin: What seems to come first? Do you take your gut check and then use the numbers to confirm it? Or do the numbers happen and then you use your gut? Do you ever go against the numbers?

Alissa: No, I have not gone against the numbers necessarily, but there definitely have been times where things have first been intuitive. This spa was at first an intuitive thing and then I had to go in and prove it with the numbers. Right now, it's kind of the opposite. With this next project, the second salon, the numbers look really big, but I am trying to figure out how that will work with me and everything else that I am trying to accomplish.

Lorin: In other words, your balance is off, but the numbers look good and you have to decide if there is enough energy to make the numbers real?

Alissa: Exactly. There is never one thing that has made any one person successful or able to accomplish. I have been able to do something that lots of other people have not been able to do, and I am just lucky to have had a combination of things all landing in the right spot.

Lorin: When you are talking about creating a new store, creating more – whether it's the first store or the next store, that manifestation of the next thing, whatever it is – how would you describe your way of being as an entrepreneur to create? To what would you attribute your success, when it comes to your way of being as a business owner?

Alissa: I think being in a place of action is a really good word to describe that, because for a long time I thought about doing this, and then followed through on doing it. I

have always been one to forge ahead and “just do it.” I didn’t really see why I couldn’t. Maybe that’s due to confidence or just not being afraid of failure. Tons of people have ideas for businesses, and say that they would love to do this or that, but don’t take the action to actually do it.

Lorin: And, what would you attribute your confidence to?

Alissa: I don’t know! I have always been confident. I am certainly far from perfect but I have always had sort of an inner confidence.

Lorin: I think there is something really different between perfection and confidence.

Alissa: Yeah! They are very different!

Lorin: That’s true, but I think that’s a really important point.

Alissa: I really am not perfect!

Lorin: That actually could be one of the main points we make to those reading this interview. I think a lot of people think it’s critical to be perfect, and tell themselves, “When I am perfect, I’ll be confident.” There is no such thing!

Alissa: Correct!

Lorin: Where do you think that, at age thirty-seven, you have gained the amount of confidence that you have?

Alissa: I think that I have just had a really strong, supportive family and if my business wasn’t succeeding, I know that I would certainly feel a lot differently about things, but I don’t think that would really change our relationship at all. I think I have had some additional freedom to kind of go outside of those normal boundaries, knowing that I had a safe place to return if it didn’t work out.

Having that level of support has allowed me to make a lot of the decisions I’ve made and take on some of the risk that I have. I think to myself, “What is the worst thing that could possibly happen?” If this were to fail, as long as I have my husband and my dog and my family, I don’t really care if I am in a studio

apartment, because I know I will be able to rebuild whatever I have lost. My worst-case scenario for doing all of this is really not all that terrible, but the upside is tremendous.

Lorin: That's a great perspective! I think that perspective is so critical. So many people think, "I don't have an MBA; I could never have my own business," but what we are showing here is that, with or without an MBA, there is some similar thinking that goes on; we are not unique.

Alissa: Yes!

Lorin: One last question concerns the economic crisis we are in the midst of, and how that has affected the spa industry. How is business?

Alisa: Business is staying stable. It's really hard for me to tell how things will be, because I have been in such a tremendous growth phase that I can't compare it to the previous year. It will only be a year tomorrow that the new spa opened, so we are hanging in there. I feel really lucky that we opened when we did, as I had established my brand identity and a really good client base, to which I continue to market and bring back. But, it's a challenging time. I was really feeling before the economic downturn that 2009 was going to be my big reprieve and sigh of relief. I just feel like I have been running this marathon and I was almost done. I'm talking about the entire ramp up and the construction and the costs associated with everything and the burden of this growth! And now, I just feel like I have another half marathon to run. I am exhausted, but I know we'll come out it fine. It's going to be a really good challenge and probably make the business even stronger once we come out of this.

Lorin: Exactly! I agree with that! Because if there has not been a whole lot of down time and if you are maintaining, think about where you are going to be when people are more confident!

Alissa: Yep! And that's what you see with businesses during recessions. Those that were always really busy and turning away a lot of clientele, the really popular

restaurants and things like that, they could still shrink quite a bit and maintain their same sales. I fully believe we would have experienced a lot more growth and we'd be in a different place than where we are right now, if this had not happened, but I am not complaining. It's been a difficult, challenging process and it certainly hasn't come without a significant amount of work and sacrifice, but I have definitely accomplished a lot in the last three years.

Lorin: I would imagine that you wouldn't trade it for anything, and that you feel like you are a better person because of the work, the challenges and the goals you have achieved – and even those that you haven't yet fully achieved.

Alissa: Most days I would agree with that! I might appreciate it, but there are times when I might sell it to you for five dollars! (Laughing) However, those moments are fleeting.

Lorin: (Laughing) That's honest!

Alissa: Yeah, they don't last very long, because I have ninety-five employees who are depending on me and on the success of the business. My job is really to keep them happy and make sure they have new clients coming in. But anyone who is working for me can quit. They can leave. They can go get another job. They can just walk away, and it does not escape me that I cannot do that!

Lorin: Yep, exactly. I just want to say that piece is really important. This is a big company that you've built in three years. Ninety-five employees is not insignificant. Let's talk about where you are now and your plans for the future of your business.

Alissa: Right now, I have three distinct businesses and locations. We might have a second salon and fourth overall location by the end of this year. I have also been working on franchising the concept, as well, so I am getting some of the things in place to leverage what I have created.

Lorin: Beautiful!

Alissa: That will be a next fun step.

Lorin: That will be really fun! By the way, I love the name of your company, Milk + Honey Spa.

Alissa: It is sweet and rich and decadent, and it's hopefully comforting.

Lorin: Ninety-five employees... a number of locations... starting to franchise... I am getting a sense of the vision that is about to come. It's not just about Austin. It's bigger than Austin.

Alissa: Yes, absolutely! My goal is to really create a national brand and bring kind of a fresh new concept to the whole spa industry. And my ultimate goal is to get to the point where the business really runs without me and I can just kind of steer the ship and it's coming to me for the inertia. I'm looking forward to having that kind of controlled balance.

Lorin: And you will get there! You are already on your way.
