



# Revenue Protection Guide

PROTECT YOUR REVENUE  
FROM NO-SHOWS



# Hey there!

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It's more important than ever to protect your business from no-shows and late cancellations, and make sure your booked appointments turn into revenue. No-shows can cost you thousands in lost revenue each year; a significant hit to your business that can be avoided by implementing some easy revenue protection features. That's where we come in!

We understand that it can be overwhelming, and you might not know where to start. We've created this guide with the help of industry experts:



**Adam Chatterley**

FOUNDER OF SALON BUSINESS SECRETS



**Lashana Shepherd**

BRAND MANAGER



**Nesrin Aziz**

BEAUTY LASHIOUS



**Jessica Crane**

SPECIALIST IN SALON SUCCESS

This guide will help you understand how revenue protection can help your business, what your options are, and how to implement it without too much fuss.

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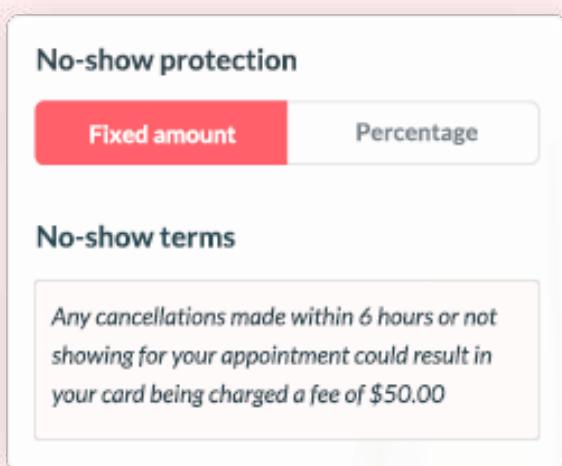
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# Let's cover the Hows

## HOW REVENUE PROTECTION WORKS

Basically, revenue protection means that you'll be taking steps to ensure your revenue is safeguarded, kind of like an insurance policy, but for your revenue! You'll be introducing a revenue protection policy to your business which will outline the terms and conditions around appointment no-shows and cancellations, and you'll use revenue protection features (like deposits or cancellation fees) to implement your policy.



## HOW IT CAN HELP YOUR BUSINESS

Clients are far more likely to attend an appointment if they've paid a deposit in advance or know that there's a cancellation fee, because it creates a financial repercussion for missing it. Having a revenue protection policy in place is a great way for salons to get a tangible commitment from clients to ensure they're not out of pocket if they cancel (especially if it's too late to fill the spot).

Not only that; it also shows your clients that you take your business seriously. It helps your clients to understand the value of your time (you're very busy and important!) and shows them the importance of communicating any change of plans with you ahead of time, and not at the last minute.

**“I hear time and time again from salon owners that no-shows and last minute cancellations are their biggest challenge. We’re a service based industry meaning we trade time & expertise for money, so we need to protect that time.”**

JESSICA CRANE  
SPECIALIST IN SALON SUCCESS



No-shows can  
cost you on  
average  
**\$2,500**  
per year



# Your revenue protection options

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With Timely, you have a couple of great revenue protection options depending on what's right for your business.

## DEPOSITS

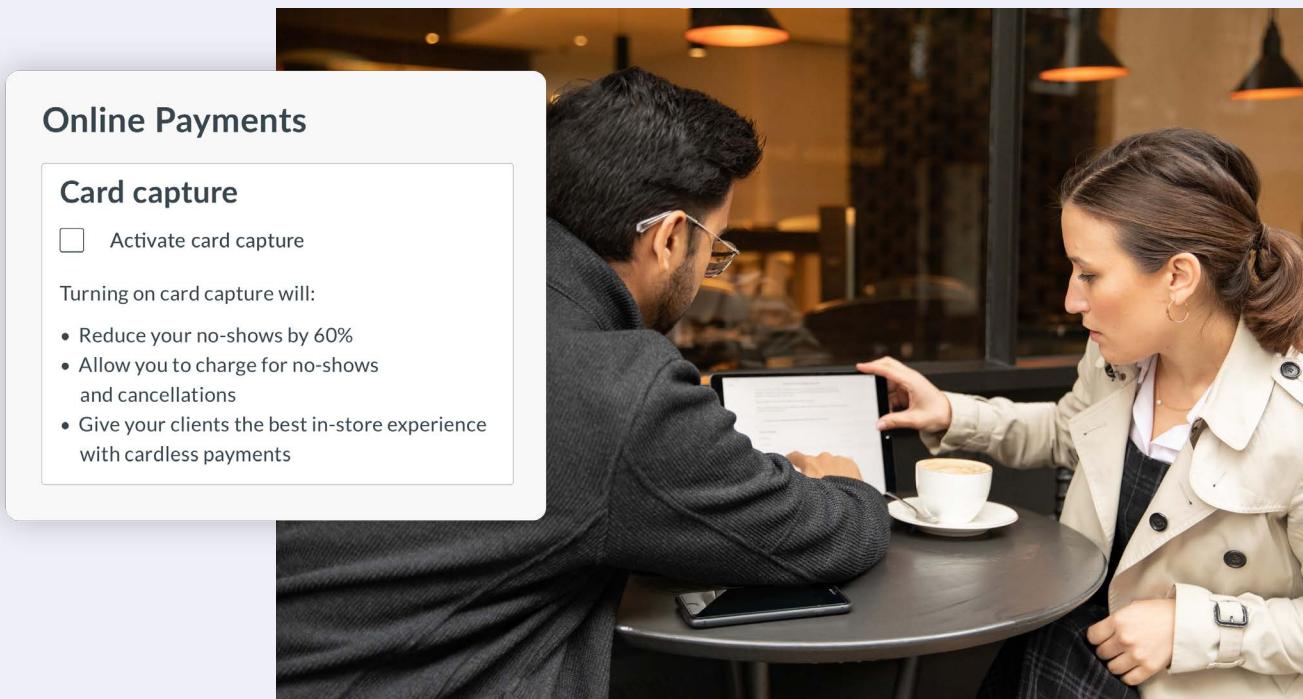
RECOMMENDED 

Your clients will pay a portion of the cost of their service (which is decided by you) when they make their booking. The deposit will automatically be deducted when your client goes to pay for their appointment, so they pay a little less on the day. This means if they don't show up, you can keep the deposit to cover at least some of the cost of your time.

### The benefits:

- People are really familiar with paying deposits and many businesses use them, so it's nice and simple to explain to your clients.
- Because clients need to pay less on the day, many businesses find that clients are more open to upsell and will purchase additional products - nice!

- Because you already have the money in your account, it's really easy to claim deposits if you need to (like if your client doesn't show)



## CANCELLATION FEES

Using the Cancellation fees feature, you'll ask clients to add their card details into the system when they book, and they'll need to agree to your cancellation policy. If they don't show up to their appointment, you can charge the saved card in line with the cancellation policy that you set. Something to note is that cancellation fees rely on your client having enough money in their account when you go to charge their saved card.

66  
Any client that isn't willing to secure their booking with a fee or their card details is essentially saying, "I'm not 100% sure I'm going to show up", and that's not a client you want.

ADAM CHATTERLEY  
FOUNDER OF SALON BUSINESS SECRETS



### The benefits:

- It can feel a little less intimidating to set up, because you're only asking for card details, and not money up front.

Unfortunately, you can't set up both! We love your enthusiasm, but they work slightly differently and can't be used together.



**Revenue protection features reduce no-shows by more than 45%**

“  
**Our policy at  
Beautylashious is  
\$40 per service,  
or 50% of the  
treatment cost if it's  
over \$100 – this pays  
for the therapist  
to be there if we do  
have a no-show or  
late cancellation.**

NESRIN AZIZ  
BEAUTYLA SHIOUS



# Getting Started

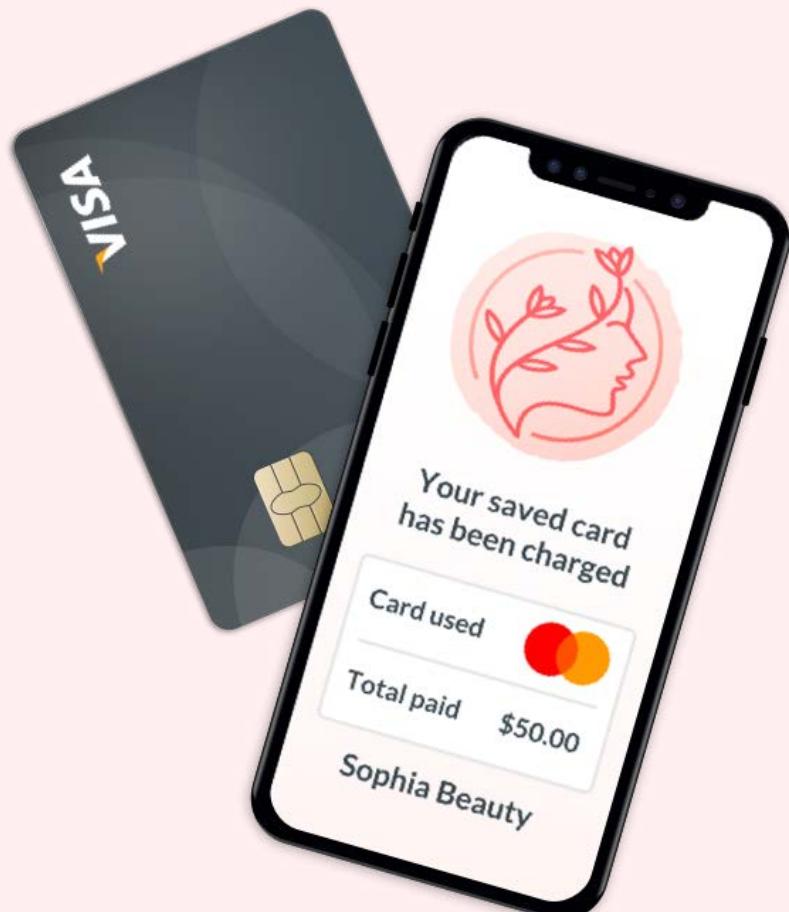


First, you'll need to set up TimelyPay to use the revenue protection features. Don't worry, TimelyPay is quick and easy to set up, and then you've got other amazing benefits too, like cardless checkout (which you and your clients will LOVE).

How to set it up in Timely:

Go to *Setup > Add-ons*

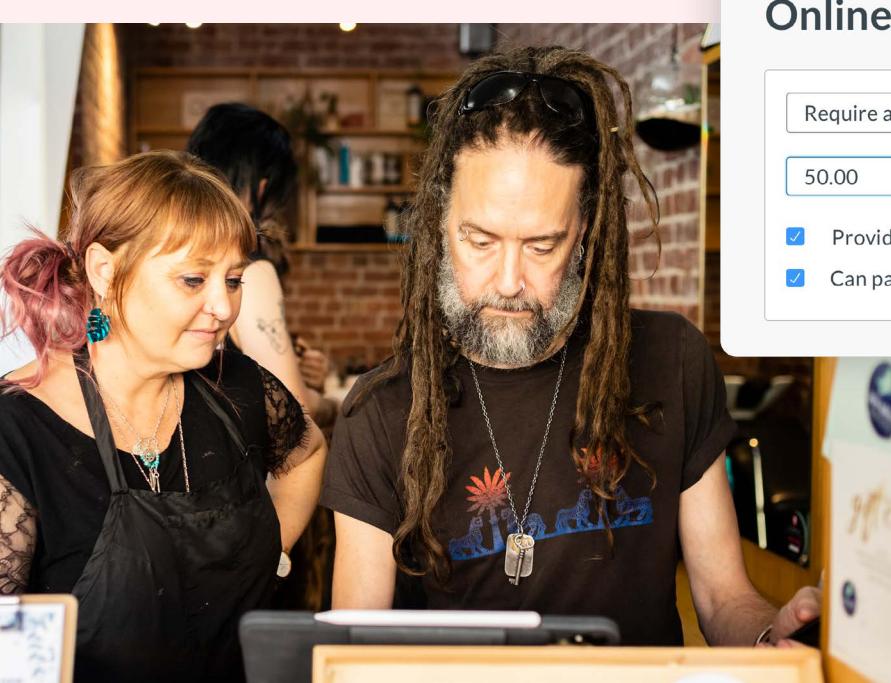
Learn more at  
[gettimely.com/timelypay/](http://gettimely.com/timelypay/)



## WRITE YOUR REVENUE PROTECTION POLICY

Once you've decided which option is right for you, you need to set up your policy, so it's nice and clear for your clients. Not only is it good to protect your revenue; a tight cancellation/refund policy can help to legally protect your business from disputed payments and unhappy clients, so it's got to be a goodie!

First up, decide if you'd like to charge a flat fee or a percentage per service. How much you charge for a deposit will depend on the services you offer; some salons only take deposits for higher value services while other salons choose to take them for all services, no matter the price. Industry standard is 50% of the service price – it's easy to communicate and it's enough to cover the value of your time without being a barrier to booking.



### Online payment terms

Require a deposit (percentage)

50.00 %

Provide a "Pay later" option

Can pay remaining amount online

“I think a 50% deposit is appropriate, but it's a personal choice. You and your team need to feel comfortable with it, so make sure to include them in the process if it's new to your business.”

JESSICA CRANE  
SPECIALIST IN SALON SUCCESS



Clients  
who pay a  
deposit spend  
**20%**  
more on  
the day

**Some things to note:**

- If you have high hourly costs or high value services, you might want to set a higher deposit fee to reflect the value of your time.
- If you have lower overheads or shorter services, you might be comfortable with a lower fee.
- You can set higher or lower deposits for certain services, which is helpful for high value services where it's extra important that the client turns up. You might even want to consider a 100% deposit for these services, because you're worth it!

Next, you need to decide how close to the scheduled service a client is allowed to cancel without losing their deposit or being charged a fee. Most businesses use a 24 hour timeframe, but you should consider how easy it is for you to fill a cancellation spot when you make this decision.

If you need longer to fill a gap in your calendar, you might want to give yourself 48 or even 72 hours – these are also widely used in the industry.

**Businesses who use cancellation fees reduce their no-shows by 15%**

Have a think about any other important factors you might want to include in your policy, like:

- Reserving the right to hold onto a deposit if you need to cancel a client due to their poor/rude behaviour.
- Making an allowance if a client is unable to attend their service due to Covid-19, or other illnesses or unforeseen circumstances.

**“Using Timely’s revenue protection features will not only reduce your late cancellation and no show costs, but actually increase your revenue too.”**

ADAM CHATTERLEY  
FOUNDER OF SALON BUSINESS SECRETS



## HERE'S A CANCELLATION POLICY YOU CAN USE

### **Deposit:**

A deposit of 50% of the cost of your total booked services is required to secure your booking. The value of your deposit will be deducted from your services on the day of your appointment.

You may change or cancel your booking up to 24 hours before your appointment either by contacting us via phone or SMS, or by logging into our booking system from our website. You may ask for your deposit to be refunded to you, or you can save it to your account to be used against a future appointment. Any cancellations within 24 hours, or failure to show up to your appointment will result in your forfeiture of your deposit, without exceptions.

### **Cancellation policy:**

We require at least 24 hours notice for any cancellations and changes to your appointment. Cancellations within 24 hours, or failure to show up to your appointment will result in your forfeiting your deposit, without exception.

We reserve the right to cancel your appointment at any time.

**Running late for your appointment:** To ensure punctual service for all clients, appointments that start late due to client tardiness will finish at their scheduled time, resulting in a shorter service for you. No discounts will be given for appointments that are shorter due to client lateness. If you are more than 15 minutes late for the start of your appointment you will be marked as a no-show and your deposit will be forfeited.

### **Preferred communication:**

Changes to your appointment must be made via our dedicated salon phone number. Messages via social media or stylists personal numbers may not be seen and may result in your forfeiting your deposit.



## GET YOUR STAFF ON BOARD

Get your staff ready to implement and action your new policy. Get everyone together for a session to cover off your new policy, the reasons behind it, how you're going to get clients on board, and set some time aside to train staff on how to take a deposit or charge a cancellation fee, so everyone is confident at the till.

**“It’s important your staff understand why you’re introducing revenue protection, so they have the knowledge and feel more comfortable enforcing it. In Timely you can pull a report to show the number of no shows and their revenue value over a period of time to help back up your decision.”**

JESSICA CRANE  
SPECIALIST IN SALON SUCCESS



## DISCUSS WHEN YOU WILL AND WON'T CHARGE CLIENTS

Even if you set a really strict policy there will likely be times when you'll either refund a deposit or not charge a fee, based on your better judgment. Talk about this as a team and agree what you will and won't allow, and once you've got a good consensus you'll be able to trust your staff to make the right call when the situation comes up.

## PRACTICE WHAT YOU'RE GOING TO SAY TO CLIENTS

It sounds a little silly, but take turns pretending to be the client and role play what you'll say when introducing the new policy (over email, the phone, or in person), or when charging them in line with your cancellation policy.

Here's a few ideas to get you started:

“We’re just letting you know that in order to make sure our salon is running smoothly, we now require a 50% deposit when you’re booking. Don’t worry, it’ll come off the cost of your service when you come in and see us! How would you like to pay for that today?”

“I’m really sorry to hear you won’t be able to make your appointment today. Unfortunately you’re now outside our cancellation period (which you can find in your appointment confirmation email), so you’ll forfeit your deposit you paid. This is because we need to make sure the stylist is still paid for the appointment that we won’t be able to fill at this late stage. We can rebook you now, but you’ll need to pay a new deposit.”

## TIP

Feeling a bit awkward about introducing deposits or a cancellation fee to your clients? Blame the software (or the ‘boss’, like they do at Beautylashious)! We don’t mind if you want to blame us when you’re speaking with your clients, e.g. “I’m really sorry, our software won’t let us take a booking without a deposit so I can’t make an exception” or “I’m so sorry but our software is set up to automatically charge the cancellation fee if you cancel this close to your appointment”.

## LET YOUR CLIENTS KNOW

Now that you and your staff are feeling 100% confident and ready for your new policy to meet the world, it’s time to start communicating with your clients. The first thing you’ll need to do is decide on a date when you’ll officially start charging deposits or cancellation fees – draw a clear line in the sand. Consider making the change at the start of a month to keep it easy to remember, and give your clients plenty of notice.

How should you do that? Post your new cancellation policy on your website, and let your clients know via your social media, or an email or SMS campaign (or all of the above).

It’s a good idea to speak to your regular clients or VIPs as they come in for their services, and let them know when they rebook that they’ll need to agree to your new policy – trust us, you’ll be glad you practiced what you wanted to say to clients at this point!

Post everywhere about the upcoming changes to get ahead of the news! In your online bookings process, on your website, social media, in-person, and on the phone with client comms.

LASHANA SHEPHERD  
BRAND MANAGER



## AFTER YOUR POLICY IS LIVE

No matter how well you prepare, be ready to tweak your policy and make small changes as you roll it out with your clients; things like your fee amount or your cancellation window. It's totally fine to do that, just communicate it thoroughly with your staff and make sure it's updated in your written policy.

You might have a few clients who get upset or have concerns. In our experience no loyal, valuable clients will leave because of a revenue protection policy, but it can be helpful to set up an email address to direct any clients to, like Nesrin has.

**“Something like [feedback@bizname.com](mailto:feedback@bizname.com) gives clients a place to vent any feelings (rather than at your staff) and getting things in writing gives you space to think about how you want to respond.”**

N E S R I N A Z I Z  
B E A U T Y L A S H I O U S



Finally, remember that this will be hardest on you. Your clients will come around quickly, and for your staff it's just a new process at work. This may feel like a huge change, but it's a totally normal thing for a business to do. In no time at all you'll wonder how you ever operated without your shiny new cancellation policy!



**Businesses who  
turn on deposits  
see no drop in  
bookings over a  
6-week period**

# Your getting started checklist

PRINT  
ME OUT



- 
- Decide between deposits and cancellation fees
  - Set your fee value
  - Set any special fees, e.g. for high value services
  - Set your cancellation timeframe
  - Write your cancellation policy
  - Speak to your staff about the policy
  - Train staff on the new process
  - Practice what you'll say to clients
  - Set a date for your policy to come into play
  - Add your new policy to your website
  - Send an SMS campaign to your clients letting them know about the new policy
  - Set up a feedback email address

# Ready to set up revenue protection?

Setting up TimelyPay couldn't be easier.

## Already a Timely Customer?

If you're already with a payment provider, we'll help you switch to TimelyPay without any hassle.

[Set up TimelyPay](#)

1

Click on the link above

2

Complete the TimelyPay form

3

Enjoy TimelyPay!

## New to Timely?

It's quick and easy to get your free trial started, then set up TimelyPay in your account.

[Start a free trial](#)

1

Start a free 14 day Timely trial

2

Get TimelyPay set up in minutes

3

Enjoy TimelyPay!

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JOIN OUR COMMUNITY

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“Timely  is more than just  
a software  company  
it’s  a community.” 

HAYLEE BENTON, CECILY DAY SPA

Join over 50,000 beauty professionals using Timely's software to manage their business, connect with their peers and access education from global industry leaders. [Try Timely today.](#)

