

spa business

2007 3

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the way i see it

Mark Wuttke

42, principal, The Wuttke Group, Atlanta, USA

I was born and raised in the Barossa Valley, the heart of South Australia's wine region. It was one of the country's first non-convict settlements, established over 150 years ago by Prussian and Silesian immigrants, mostly peasants. They worked the land using sustainable agricultural practices born of frugality – nothing was wasted, they ate everything they produced, and didn't produce more than they could consume. That philosophy has been handed down through the generations; it's what I grew up on.

I really enjoy working with founders and CEOs of small to medium-sized companies. I resonate with entrepreneurs who see the bigger risk as not taking one. So far, I've worked with many more female than male leaders. With women, there's a great willingness to make decisions based on gut instinct, to think outside the square and to show vulnerability, whereas I find men more guarded and sometimes a little competitive. I've been trying to analyse why. Maybe it's me. I always look at myself first, because that's what I can control.

My mother was considered a bit of a witch doctor; she was always giving me homeopathic and herbal remedies, and was a great believer that food is medicine. I had this affinity with natural healthcare from a young age. While at school, I did work experience at Brauer Natural Medicine, a local homeopathic pharmacy. I spent 16 years there, starting in the production facility and working my way up to CEO.

We know we need to face up to Peak Oil and global warming, yet all the while the spa industry remains integrated with industries so closely aligned with the consumption of fossil fuel – the travel industry and the hotel industry – then we will continue to be affected in an adverse manner, not only from a cost perspective but also from a trust and integrity perspective. We need to influence those industries to be more sustainable, but we're not going to attract their attention until we can speak the same language as their asset managers and financial directors. We've got to find a way to show them that sustainable practices make good financial sense.

The spa industry is riding a phenomenal wave linked to travel and strong hotel performance, and we're in danger of developing a false sense of security. Hotels like us because we help drive occupancy, ADR and RevPAR, so they're not holding us accountable – not many hotels charge commercial rent for spa space and a lot of shared overheads are not truly reflected in spas' profit and loss statements. But what happens when there's a downturn? We need to improve our financial viability now, not wait until we're up against a wall.

My wife Terese and I have been together for 26 years, married for 20 and parents for eight. I've very fortunate because I've got this person who loves me dearly, but who will also bring out a block of wood and crack me over the head with it when I'm not thinking straight.

We're facing a massive dilemma moving forward, because we're training our staff without remunerating them appropriately. If we give people the smarts but don't let them reap the benefits, they'll look elsewhere to continue their careers. We need to get more profitable, so we can afford to retain good staff. People come into this industry because it's in their hearts, but as they become more educated they'll become more aware of its financial limitations. We can't hold them by the heart indefinitely.

The person I most admire in this industry is Ulrike Klein, the founder of Jurlique, for her integrity and for her vision. She set me free by appreciating me for who I am, not for what I do.

My favourite spa in the world is Mii Amo in Sedona, Arizona. There's something about the energy of that place – it makes my hair stand on end just thinking about it. I try and get back there every 12 to 18 months.

When it comes to spa retail, we've got to deal with our false beliefs. We have this perception in our industry that retail is bad and not part of the wellness offering, and we need to reframe our thinking. We need to forget about it being retail and look at it as offering wellness solutions to our valued clients.

In my experience, Americans take life rather seriously whereas Australians are more casual and quicker to laugh at themselves. Everyone here addresses you as 'Sir'. In Australia, you only call someone 'Sir' if you're winding them up. When I first arrived, I actually confronted one young man about it because I thought he was being cheeky. I said, "My name is Mark, not Sir". He said: "Yes, but it's a matter of respect, Sir!"

Mark Wuttke spent 16 years with Brauer Natural Medicine, before joining organic skincare company Jurlique in 1998 as general manager of global sales and marketing. In 2001, he moved from Australia to Atlanta to head up the company's US operations. Last year, he set up his own business development company, The Wuttke Group, whose clients include top operators and suppliers across the globe. He is working to promote his profitable spa retail model within the industry, and has a certified educational curriculum and book in the pipeline.