

IT'S A SPA, BUT IT'S HARD WORK

ONCE-DECREPIT STOREFRONT IN BROOKLYN GETS PAMPERED, POLISHED AND REINVIGORATED

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On a Clinton Hill block where for years the only brisk business being done was by drug dealers, Felicia Fonrose envisioned an urban oasis for Brooklynites who wanted to be blissfully slathered, exfoliated, massaged and manicured.



Rosier/News

In 2001, tired of lucrative but spiritually unfulfilling work at a Wall Street firm, Fonrose began dreaming of owning her own spa. While she'd never even been to a spa herself at that point, she felt certain that she had a talent for making people feel pampered and relaxed.

Felicia Fonrose left Wall St. for a Brooklyn shop, where she carved out her own small business.

"Growing up, everyone always called me 'The Beauty Queen.' I always wanted to make everyone beautiful," said Fonrose, 40. "I'd massage my grandma's feet. I'd say to my girlfriends, 'Let me do your hair. Let me do your nails.'"

The Brooklyn native took a leave of absence from her job in Goldman Sachs' marketing department to study manicuring at a cosmetology school, and then started doing nails out of her friend's home. In 2002, when Goldman laid her off, she decided that was the time to launch her business, Nu Yu Day Spa, in a retail location.

Fonrose found rental space in a formerly rundown building on Clifton Place near Grand Ave. that had been bought and renovated by the non-profit Pratt Area Community Council. "I begged them for the space. They thought the people in the neighborhood wanted a pet store."

But that was only the first hurdle. As she tallied up her costs - renovating the raw space, buying gear like pedicure chairs, purchasing beauty products - putting her plan in action seemed daunting. The total was about \$70,000, and she had only \$25,000.

"My dream started to seem unreasonable," Fonrose said. Lenders seemed to agree: Her loan requests were turned down at least six times. It didn't help that the residential area got little foot traffic. "They would do a site visit, and they would say, 'On this corner?'"

While she was short on cash, she was not short on persistence, and things began looking up. With the help of a New York City Business Solutions Center in Brooklyn, she was finally able to get a \$25,000 loan from ACCION USA, a microlender. She also had the luck of finding a contractor who would turn the space into a spa for the \$25,000 she had budgeted, an amount less than half of most other estimates. The rest she charged on credit cards. In December 2003, Nu Yu opened its doors, and even with little marketing except word-of-mouth, the customers came.

Fonrose may have been blessed with good timing. The popularity of spas has exploded in recent years as baby boomers look for ways to feel younger and stay healthier, said Susie Ellis, president of industry tracker Spa Finder. New types of spa-goers looking to be pampered - namely men and teens - are also driving the growth.

While that makes for plenty of customers, the number of spas grew about 12% last year, according to Spa Finder, meaning more competition. With about 16,741 spas nationwide, their numbers now exceed that of all Starbucks outlets, Ellis said. New York's five boroughs are home to about 640 spas, a number that doesn't include the city's countless nail salons.

High labor costs can be an obstacle to profits, Ellis said. "The majority of day spas are fairly small in size, and the profitability isn't that high. We're talking 5% to 7%," she said. "But we find a lot of people are in the business because they're passionate about the work."

Although Nu Yu brought in revenues of about \$200,000 in its first year, it took about two years for it to begin paying for itself, Fonrose said. "You don't realize how many times you'll have to dig into your own pocket." Fonrose said she still isn't earning anything, living off the salary her husband draws as a city police officer. Still, she's used revenues to whittle her original loan down to \$5,000, and she has paid off about 60% of her credit card debt. She recently took out a loan to renovate the spa again, adding a second treatment room and creating a tranquil atmosphere with moss-green walls and gauzy flax-colored curtains.

Fonrose is hoping to soon launch a line of Nu Yu-branded products, and she meets regularly with employees to get their views on how to make the Nu Yu spa experience better for clients.



Rosier/News

Fonrose envisioned Nu Yu in Clinton Hill as a spa where the emphasis is on relaxation.



Rosier/News

A customer enjoys the services at Nu Yu Day Spa.

"It's not that we don't want to make money. But we want to make money and make people happy."

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Q&A: Felicia Fonrose, Owner, Nu Yu Salon

Q: What has been your biggest challenge?

A: "Staffing. ... To be able to hire people that are really, really passionate about this business is rare. I'm not going to compromise my beliefs for a dollar. For a lot of people, it's about money."

Q: What would you do differently?

A: "I would have realized that what's most important is following what you think is right. ... When you open a business, everyone tries to tell you to do this or do that.

"I was listening to other people instead of doing what was right for me."

Q: What was your biggest surprise?

A: "How you can make so much money so fast. If I didn't have the debt, we would just be making money, money, money."

Q: Where do you see yourself a year from now?

A: "I'm talking with my lawyers now about launching a Nu Yu product line. We're going to have to have more space or another spa."