

Case studies

Burning the Midnight Oil: Navigating Work-Life Balance and Combatting Burnout in Entrepreneurship as Working Mothers

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To escape the demands of high-intensity working environments in the hair styling industry, two female entrepreneurs and friends, Caroline and Genevieve, ventured into the realm of small-business ownership. They became business partners by establishing a small salon business intending to reconnect with their love for artistry and hairstyling. Despite their shared enthusiasm and a harmonious working relationship, Caroline encounters stress and feelings of burnout once more, grappling with the demands of entrepreneurship and balancing her personal life, including small children, finances, and internal expectations. Caroline is standing at a crossroads, as she decides the next steps to not only keep the business successful but also reduce her stress and avoid burnout.

Case Synopsis

Motivated by a desire to rediscover joy in their work and escape the rush and detachment experienced at the previous high-end salon, Caroline and Genevieve decided to open their own smaller salon, Clint East and Co. Three years into this venture, Caroline finds herself struggling as she balances expectations of motherhood and family life with the demands of small business ownership. To ensure the success of Clint East and Co., Caroline needs to find a solution that both addresses her feelings of burnout and eases financial stress.

Learning Objectives

- Identify core issues facing early-stage start-ups.
- Evaluate solutions for women entrepreneurs in managerial and ownership roles facing work-life challenges.
- Determine the factors leading to burnout and stress in service-related occupations.
- Interpret financial statements to determine costs and pricing and conduct a breakeven analysis.

Case Background

Caroline and Genevieve met working in a large exclusive hair salon servicing high-end clientele. Caroline, in her late 20s, and Genevieve, in her early 30s, come from distinct personal backgrounds. Genevieve is married with a small child attending daycare, and her wife is a teacher who attends to many home and childcare tasks. Caroline manages a blended family, a girl in middle school and two children under three with her husband, Anthony. Caroline and Genevieve recently became business partners opening a boutique salon during the COVID-19 pandemic. Despite Anthony's best efforts to ease Caroline's workload by taking

additional shifts at his factory job, financial strains from the recent additions to their family and new business responsibilities weigh heavily on her. Caroline is also experiencing unexpected physical, psychological, and emotional exhaustion after the birth of her third child. These feelings are more profound and lasting than they were with the birth of her other children. Despite putting in more hours at the salon, Caroline's financial worries and burnout have not improved; if anything, they have worsened.

Both Caroline and Genevieve share the responsibility of working "behind the chair" for 8-10 hours per day and managing staff, operations, inventory, and time-sensitive tasks requiring their immediate attention. Additionally, Saturdays and evenings represent the highest demand for service, especially for their suburban commuter clientele. Caroline tends to internalize stressors whereas Genevieve can roll with the punches and does not sweat the small stuff.

Before she alerts Genevieve to her concerns, Caroline has decided to investigate potential solutions on her own. With questions looming about her future, Caroline must now address her new role as an entrepreneur, a working mother, a wife and co-provider, and business partner facing burnout.

Brief History of Clint East and Co.

Caroline and Genevieve met working at a busy high-end salon known for celebrity clients and professional print (e.g., magazine spreads) and motion picture (e.g., movies) hairstyling. At any time, each stylist serviced 3-4 clients with the help of multiple assistants. The salon had a prestigious and exciting reputation and offered an opportunity for the two women to develop their craft. The high-volume workload often fostered exhaustion leading to burnout. Caroline and Genevieve ultimately decided to leave the high-end salon to open their own boutique salon, Clint East and Co. They wanted to control the volume of clients ser-

viced, be less rushed, feel less detached from the process, and re-engage with their jobs and clients.

Upon deciding to leave the larger salon, Caroline and Genevieve began developing their business plan. They located a vacant storefront in a nearby suburb, signed a lease, and began renovations. Within a few months, Clint East and Co. was open for business. Most of their clients followed them to the new salon. Business was good; they were thriving in their craft, and finally the two women experienced both personal and professional success and fulfillment. Over the next three years, their business remained intentionally small, with Caroline and Genevieve dedicated to serving both new and returning clients. While the salon does not boast the same high-profile as their former workplace, clients appreciate the intimacy and control Caroline and Genevieve have over their business.

The Current Decision

Balancing full-time work as a woman comes with unique challenges, including navigating societal norms and expectations, pay inequities, and balancing work and family/home expectations, among others (Aryee et al., 2005). Moreover, embarking on a business venture amid a global pandemic came with enhanced risk. According to the Bureau of Labor Statistics (2023), a small business has approximately a 50% chance of surviving the first five years. Just two years shy of this milestone, Clint East and Co. is not out of the woods.

Delving deeper into Caroline's experiences reveals that one of her significant pain points revolves around the delicate balance between home life, motherhood, and managing her business. Exploring these issues prompts the question that many working women aim to answer: when does work end, and family life begin and how should Caroline integrate the two? What was once a source of joy and excitement—running her own business with autonomy and independence - now creates stress and discomfort. Caroline is at a crossroads. Like many entrepreneurs, she needs to navigate increased work demands, motherhood, and the responsibilities of business ownership. She is reluctant to discuss her burnout concerns with her business partner until she determines precisely what is wrong. Caroline is therefore relying on self-evaluation to address her predicament. Balancing the demands of both roles is proving to be overwhelming, prompting her to contemplate whether stepping back from the salon business is a necessary move.

As she pores over her business's financial statements (Tables 1 and 2 below), Caroline knows that she must consider both practical realities and her emotional needs. Caroline and Genevieve's partnership agreement outlined sharing the overhead (all fixed costs) 50/50. Variable costs (e.g., chemicals for service, shampoo, styling aids, and tools, etc.) for service are paid by each service provider. Any deficits after fixed costs are paid equally by each partner. While Caroline is risk-averse and not comfortable borrowing additional funds to grow the business, Genevieve is less likely to be stressed by implementing such a change. Before making a definitive decision, Caroline is evaluating several

potential solutions to alleviate the constraints imposed by these challenging conditions.

Leveraging Technology

Caroline and Genevieve are navigating new waters with their management responsibilities. While the pace of their hairstyling workload is more measured, the pressure and responsibilities associated with business operations increased as they transitioned to business owners. This shift, coupled with additional life demands and lack of support staff in the salon, is prompting the need for time-saving solutions.

Implementing technology to streamline and automate logistical processes could alleviate the repetitive tasks of business ownership, allowing the owners to focus on operational efficiency. Moving towards technological solutions not only aids in time management but also reduces stress, enhancing overall efficiency (Smith, 2001). This, in turn, provides Caroline and Genevieve with the time and mental space to invest in creativity, idea generation, and their artistry as hairstylists. By investing in various technologies, they have an opportunity to reclaim time for clients, family, and self-care to mitigate potential burnout.

One option is adopting a combination point-of-sale (POS) and customer relationship management (CRM) software. POS tools automate data management by tracking all sales data, maintaining dispensary and sales inventory, and automate financial recordkeeping for the business. CRM software allows clients to easily book appointments, provides appointment confirmations and reminders, tracks client service history, facilitates client communication, and implements automated connection points, among other tasks. Additionally, some CRM software packages offer social media management tools. While each of these software packages are offered independently, Caroline wants to keep things simple by utilizing only one provider so she can be sure of seamless integration. Caroline found a software solution that offers CRM, POS and social media capabilities for \$149 per month and estimates that it could save her and Genevieve at least an hour per day.

Another potential technological solution involves investing in chatbots or virtual assistants for their website. A chatbot could enhance customer support by providing quick FAQs and facilitating online bookings. Virtual assistants enable voice-activated tasks for scheduling, client communication, and product sales. While virtual assistants are easier to implement than chatbots, they also require more regular interaction from Caroline and Genevieve, as they would have to verbally give the virtual assistant tasks regularly. All technological solutions pose a learning curve for owners, employees, and customers.

Collaboration and Networking

Adding support staff to ease the burden of daily operations in the salon may reduce stressors for Caroline by allowing her and Genevieve to optimize their time and productivity. Caroline could consider collaborating with Genevieve and a salon management expert to cultivate a sa-

Table 1. Clint East and Co. Balance Sheet

CLINT EAST CO. BALANCE SHEET			
ASSETS			
Current Assets			
Cash			\$25,000
Accounts Receivables	\$500		
Less Allowance for Doubtful Accounts	\$75		\$425
Inventory			\$10,000
Prepaid Expenses			\$750
	Total Current Assets		\$36,175
Fixed Assets			
Land			
Buildings			
Less Accumulated Depreciation			
Equipment	\$20,900		
Less Accumulated Depreciation	\$8,360		\$12,540
Furniture & Fixtures	\$5,000		
Less Accumulated Depreciation	\$2,000		\$3,000
	Total Fixed Assets		\$15,540
Intangibles (Goodwill)			\$3,500
Total Assets			\$55,215
LIABILITIES			
Current Liabilities			
Accounts Payable			
Notes Payable			\$15,500
Lease Liability			\$1,675
Accrued Wages/Salaries Payable			
Accrued Interest Payable			\$3,255
Accrued Taxes Payable			
	Total Current Liabilities		\$20,430
Long-Term liabilities			
Lease Liability			\$40,200
Note Payable			
	Total Long-term Liabilities		\$40,200
OWNERS EQUITY			
Clint East Co. (Capital from Co-Owners)			\$36,460
Total Liabilities and Owner's Equity			\$97,090

lon staff to improve internal efficiencies. When a stylist or business exceeds 80% capacity, experts recommend adding support staff (e.g., stylist assistant, shampoo assistant, front desk management, etc.) and/or raising service prices (Russell and Russell, 2024 personal communication). When production exceeds about 80%, providers' ability to offer timely service can decline. This decline can result in backlog leading to overworked employees and customer frustration. Adding additional service staff can alleviate the bottleneck, facilitate additional customer bookings, and improve overall customer service. Alternatively, increasing prices helps to reduce demand while maintaining overall margins.

Past conversations between Caroline and Genevieve identified the opportunity to add two staff to aid in Clint East and Co.'s growth. The first potential staff member, a front desk manager, would handle social media, bookings, checking out clients for each stylist, and managing sales. The second potential staff member, a stylist assistant, would handle tasks such as monitoring processing times, shampooing, and finishing styling work (e.g., blowouts). Each of these support staff would need to be cross trained so the salon still operates in the event of absence. Additionally, the state Clint East and Co. operates in requires that stylist assistants hold cosmetology licenses. Accordingly, each position would need to be paid at least \$20 per

Table 2. Clint East and Co. Income Statement

CLINT EAST CO. INCOME STATEMENT		
Net Sales Revenue		\$260,000
Chemical	\$182,000	*
Haircuts	\$78,000	**
Cost of Goods Sold		
Beginning Inventory, 1/1/2024 (service)	\$5,000	
+ Purchases (dispensary items for chemical services)	\$10,920	
+Freight, Shipping & Handling	\$1,638	
- Ending Inventory 12/31/2023	\$5,425	
Cost of Goods Sold		\$12,133
Beginning Inventory, 1/1/2024 (Sales)	\$5,500	
+ Purchases (Products for sale)	\$31,200	
+Freight, Shipping & Handling	\$4,680	
Goods Available for Sale	\$41,380	
- Ending Inventory 12/31/2023	\$10,500	
Cost of Goods Sold		\$30,880
Gross Profit		\$216,987
Operating Expenses		
Advertising	\$-	
Insurance	\$3,000	
Depreciation		
Building	\$-	
Equipment	\$4,180	
Salaries	\$120,000	
Rent	\$20,100	
Travel	\$4,000	
Entertainment	\$-	
Total Operating Expenses		\$151,280
General Expenses		
Utilities	\$6,000	
Telephone	\$3,000	
Payroll Taxes	\$-	
Total General Expenses		\$9,000
Other Expenses		
Interest Expenses	\$3,255	
Bad Check Expenses	\$500	
Total Other Expenses		\$3,755
Total Expenses		\$164,035
Net Income		\$52,952
* Chemical services calculated at \$175/service, 2/day based on a 5-day work week, 52 weeks/year		
**Haircuts are calculated at \$50/service, 4/day based on a 5-day work week, 52 weeks/year		

hour. The local cosmetology school offers a steady supply of graduates from which to recruit talented future stylists. The caveat is that Caroline and Genevieve would expect these assistants to be stylists in approximately 12 months. While

training new assistants requires continuous mentoring, it also provides the opportunity to grow the business by promoting them to stylists at either the existing location or

Software	Capabilities	Price
CRM + POS Combo software	Online bookings through social media and/or website, automated emails, automated text appointment reminders, saving client notes, identifying clients who are overdue for a service, social media posting, sales and order tracking, inventory tracking, staff management, contactless payment/checkout	\$149 per month
Virtual Assistant software	Voice-activated hands-free scheduling, client communication, reminders	\$100 one-time
Chatbot	Answering FAQs instantly on social media or website, online bookings	1-2 weeks of time to build and train, then \$0

possibly expanding into new locations. Adding two additional staff will cost approximately \$1600 per week.

Grow Revenue through Increased Services

Another option Caroline is considering is adjusting Clint East and Co.'s service offerings to include higher-value services such as hair extensions or wedding styling. Currently, Clint East and Co. offers shampoo and blowout, haircutting, and chemical services (i.e., color, highlights, etc.). About 70% of their clients opt to pair the cut and color for a 2-hour total service and repeat services every 6 to 8 weeks (about 2 months). While this has provided relatively predictable revenue for Clint East and Co., Caroline wonders if she should incorporate some other more expensive services into their mix to try to alleviate some of her financial worries.

Caroline could offer wedding styling for bridal parties. She had heard from friends in the industry how lucrative it could be. The typical service includes hairstyling, primarily updos, for a bride, plus 4 bridesmaids. Any additional heads of hair to style would be \$125 each. She would book only one wedding per Saturday and offer touch-ups immediately before the ceremony and between the ceremony and reception. Caroline would also need to make a one-time purchase of travel case for her equipment at \$325.

Hair extensions are also in-demand in Clint East and Co.'s market. The initial extension service includes a consultation, high-quality extensions, application, color and cut. This service is expensive for both the salon and the client given the price of the hair itself with margins at 30%. Given that these appointments take 6 hours, a late client cancelation could cost a stylist most of a day's income. Clients would come back every 3 months for extension maintenance appointments which include cut but not color. Extensions are typically replaced annually (meaning an average extensions client would have 1 initial extensions appointment and 3 maintenance appointments each year).

Last Resort: Take a Step Back

Caroline's gut is telling her to take a step back. She is exhausted and cannot seem to regain her momentum after giving birth to her third child. She wonders if she should

Service Type	Average Price per Service	Average Time Spent Per Service
Color	\$175	1.5 hours
Cut	\$50	0.5 hours
Wedding Style	\$625	8 hours
Initial Extensions	\$2200	6 hours
Extension Maintenance	\$250	2 hours

share how she is feeling and offer to sell her half of the business to Genevieve. Caroline wants to remain in the salon as a stylist, but she does not enjoy the managerial responsibilities now that she has additional familial pressures at home. Caroline misses the simplicity of simply being a stylist, when she could leave work at work. She recognizes that this tradeoff would put Genevieve in a challenging position, so she could also offer to help mentor new stylists.

If Caroline opts to take a step back, Genevieve would become the sole owner of the salon. She would then be responsible for managing the staff, operations, inventory, and all other administrative tasks on her own. Genevieve would likely have to allocate a revenue-producing day to administrative tasks if she assumes full ownership of the business, significantly reducing gross profits. While Genevieve is risk tolerant, Caroline worries stepping back could damage their relationship.

Caroline's Dilemma: What to do next?

Caroline knows that delaying her decision any further will only worsen her situation. Her income is critical to supporting her family, but she has never felt so emotionally exhausted and detached. Caroline wonders if she is at her breaking point, knowing if she becomes unable to work, her family will struggle, and Genevieve will be saddled with the entire financial and managerial burden of the business. The time has come for Caroline to have an open and honest conversation with her business partner so they can carve out

the best path for Clint East Co. and each other moving forward. Caroline felt prepared for the meeting with her list of options:

1. POS/CRM software
2. Chatbot
3. Virtual assistant
4. Bringing in a consultant
5. Adding a front desk manager and stylist assistant
6. Raising prices on existing services
7. Adding additional services:
 - a. Wedding styling
 - b. Extensions
8. Stepping back and selling her share of the business

Caroline thinks Clint East and Co.'s situation calls for more than one option to be implemented but it may not be feasible to implement them all at the same time. She hopes that she and Genevieve can work together to find a solution for the business that does not damage their relationship and addresses Caroline's struggles.

Conclusion

This case highlights challenges that many female entrepreneurs face. Balancing familial demands with growing a new business is difficult with time and other constraints. While business was initially going very well for Clint East and Co., one of its founders began struggling with feelings of burnout after the birth of her third child. Additionally, she became more risk averse, feeling increased financial stress. These entrepreneurs must find a solution that addresses these issues while also keeping the business afloat. If they implement too many changes, they risk increased stress, frustrated clients, and strained finances. However, not implementing enough changes may not mitigate Caroline's burnout. Hopefully, Caroline and Genevieve can find

a solution that saves both their business and their friendship.

Discussion Questions

1. Describe the challenges these entrepreneurs are facing. Which is the most pressing? Explain your rationale.
2. Of the options outlined above, which has the best chance of minimizing Caroline's burnout so that she can become a productive member of Clint East & Co. once again? Discuss in terms of Stress and Burnout theory.
3. Identify the factors leading to Caroline's feelings of burnout, stress and lack of work-life balance. What is the best path forward for her?
4. Evaluate each of the options listed in Caroline's Dilemma in terms of financial feasibility by conducting a breakeven analysis. Which option appears to offer Clint East & Co. the most financial benefit?
5. Should Caroline and Genevieve increase their prices, hire additional staff, or both? Explain your rationale and share any assumptions.
6. By what percentage should Caroline and Genevieve consider increasing their prices? What are the implications of a price increase?
7. Based on theories of burnout, stress and work-life balance, and your knowledge of financial management, compare and contrast the two best options among those listed in Caroline's Dilemma. Support your conclusions and state all assumptions.

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