

Beauty & Hair Salon Business Plan

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Signature

Name (typed or printed)

Date

NOTICE: This is a business plan. It does not imply an offering of securities.

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1. Executive Summary

Beauty & Hair Salon will be a full-service beauty salon dedicated to consistently providing high customer satisfaction by rendering excellent service, quality products, and furnishing an enjoyable atmosphere at an acceptable price/value relationship. It will also maintain a friendly, fair, and creative work environment, which respects diversity, ideas, and hard work. Beauty & Hair Salon will build its reputation by providing an easily accessible location for customers and offering a wide range of services in one setting and extended business hours.

The founders of this company have conducted a market research on several aspects like services and products offer, the pricing policy, revenue generation, SWOT analysis and marketing plan. This business plan will undergo all the above-mentioned aspects.

A two-year forecast has been constructed on a conservative basis taking into consideration the inflation and operational risks. The business is expected to generate total revenue of \$240,300 during its first year of operations to reach \$300,300 at the end of year two. A cumulative net profit of \$70,230 is anticipated to be generated throughout the next two years, while Net Profit margin could average around 12.87%.

To achieve this profitable situation, Beauty & Hair Salon will require capital of \$33,140, to cover the startup needs, assets, inventories and starting working capital. The Owner will inject \$33,140 into the business and Beauty & Hair Salon is not currently looking for a loan.

2. Company Summary

Salon Dive will, at the start of operations will provide quality Hair Cuts, Hair Washing, Hair Dying, Hair Relaxing, Nails, and Eyebrows. What will set Beauty & Hair Salon apart from the competition is its commitment to providing these services in one convenient location and at the most competitive price.

The Salon will be in the town of Nyack, NY utilizing a space of 1,800 square feet. The location will strategically be situated in one of the busiest streets in Nyack, NY and will be a high-profile area with easy access from all parts of the town. Beauty & Hair Salon will be operational from Tuesday to Saturday and will be open from 10:00 A.M to 6:00 P.M.

2.1. Company Mission



Our mission is to provide high customer satisfaction by rendering excellent service, quality products, and furnishing an enjoyable atmosphere at an acceptable price/value relationship.

2.2. Business Objectives

Beauty & Hair Salon has defined several objectives to support their company mission:

- to become the most recognized hair salon in the area
- to supply services and products that enhance our client's physical appearance and relaxation
- to provide reasonably priced, convenient hair styling
- to ensure that clients receive the best experience possible making it is easier to turn them into a long-term customer by providing superior customer service
- to maintain a friendly, fair, and creative work environment, which respects diversity, ideas, and hard work
- offering fair prices, the best selection, and striving to exceed all their customer's expectations

2.3. Company Ownership

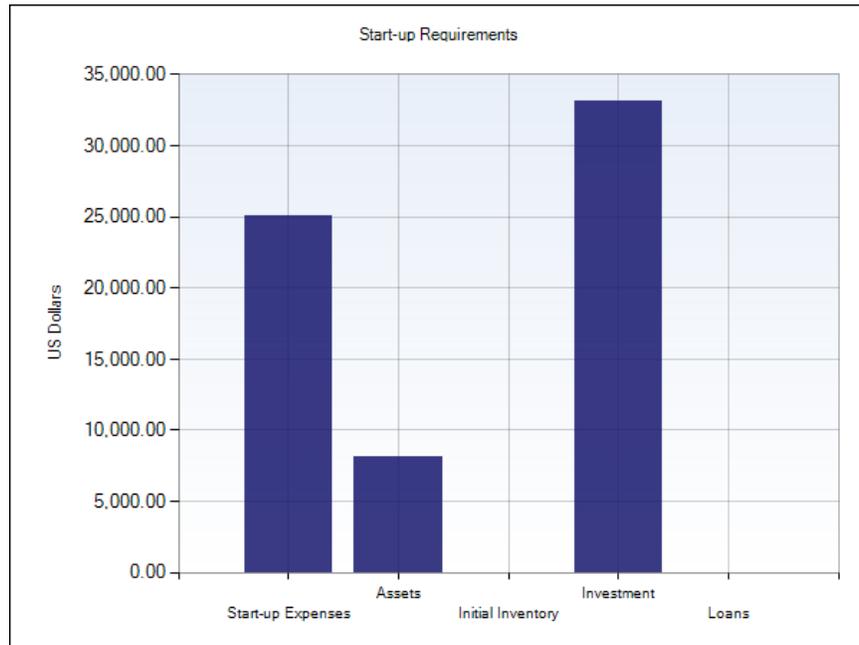
Beauty & Hair Salon will be a privately held company formed by Ashley Murphy.

The following table illustrates their capital commitment and distribution of ownership.

Name	Capital (US Dollars)	Ownership
Ashley Murphy	\$33,140	100 %
Total	\$33,140	100%

3. Start-up Summary

The chart below provides a summary of the start-up costs for the company Beauty & Hair Salon, including their startup expenses, long term assets, investments and loans required.



3.1. Start-up Expenses

Description	Amount (US Dollars)
Remodeling/Decorate/Fixes	\$10,000
Business Supplies	\$6,000
Website Design and Development/Business Plan/Logo	\$1,500
Licenses/Permits/Legal	\$1,500
Office Supplies/Stationery	\$600
Cash for Operations	\$5,440
Total	\$25,040

3.2. Business Assets

Description	Value (US Dollars)	Purchase Period	Salvage Value	Useful Life
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Furniture/Stations (3 Chairs, 2 Hair Washing Stations)	\$6,000	1	1,200	5
Computer System with Printer, Scanner, and Internet Connection	\$1,500	1	600	5
Cash Register	\$600	1	200	5
Total	\$8,100			

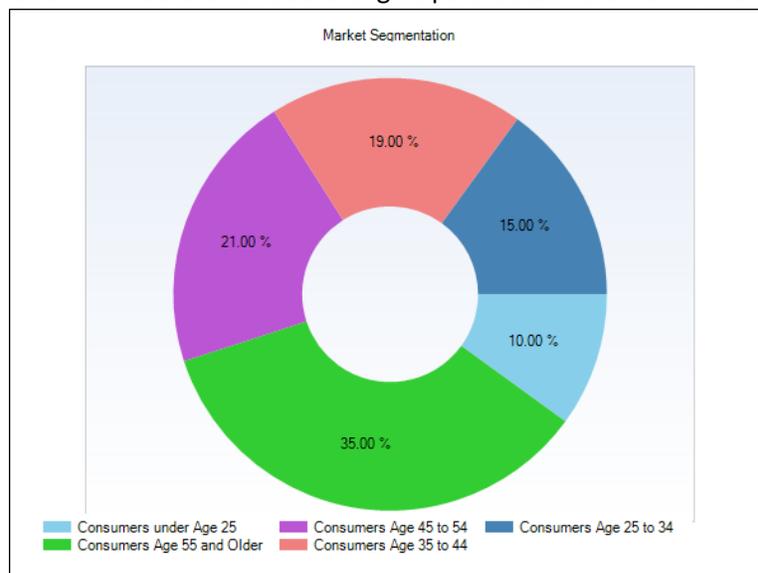
4. Products and Services

Beauty & Hair Salon will offer the following products and services:

- **Hair Cuts**
- **Hair Washing**
- **Hair Dying**
- **Hair Relaxing**
- **Nails, Eyebrows in The Future**

5. Market Segmentation

Beauty & Hair Salon will focus on the several groups of customers from different age groups.



7. Internal and External Analysis

Beauty & Hair Salon has identified 6 key success factors that will greatly impact the success on the company.

This chapter also contains an internal and external analysis of strengths, opportunities, threats, and weaknesses (SWOT). The identification of SWOTs is essential in the planning process to assist the organization in achieving their business objectives.

7.1. Key Success Factors

- Having a loyal customer base: A satisfied client base encourages repeat customers, who make up a large portion of clients.
- Employees must have a license: Employees must possess the appropriate licenses to officially operate.
- Accessibility to consumers: Salons benefit from walk-in clients and repeat customers, both of which are more likely to go to a convenient and easily accessible location.
- Access to niche markets: Operators that develop niche areas of service and expertise reduce the effects of local price-based competition.

7.2. SWOT Analysis

7.2.1. Strengths

The strengths include:

- location: providing an easily accessible location for customers
- environment: providing an environment conducive to giving a relaxing and professional service
- convenience: offering clients a wide range of services in one setting, and extended business hours
- reputation: the owner and other beauticians have a reputation for providing superior personal service
- pricing: competitive prices model with other similar service providers

7.2.2. Weaknesses

Among the weaknesses that Beauty & Hair Salon must overcome are:

- a new brand name
- vulnerable to vital staff being sick, leaving

7.2.3. Opportunities

The following opportunities include:

- positive outlook for hair salons in the US
- the hair salons industry is expected to continue providing consumers with new hairdos over the five years to 2020. Revenue is estimated to grow at an average annual rate of 2.3% to \$47.4 billion during the period
- an unfulfilled customer need
- opportunity to open new locations in the future

7.2.4. Threats

Threats that Beauty & Hair Salon should be aware of include:

- slowdown of the country economy

8. Management

This chapter contains information about the management team, personnel requirements, and salary budget for the next 2 years.

9. Marketing Plan

Beauty & Hair Salon has established several marketing objectives as part of their marketing plan:

- to increase the dollar-amount spent per client by 25% for the summer season

- to maintain a minimum of 15% occupancy level during the low hours
- to setup a business page on Social media platforms like Instagram, Facebook, Twitter, Pinterest, Google+
- advertising your products on magazines, brochure etc
- to increase online sales by 20 percent by end of year through influencer and social media marketing tactics

10. Financial Plan

10.1. Key Important Assumptions

All financial projections are based on the following assumptions:

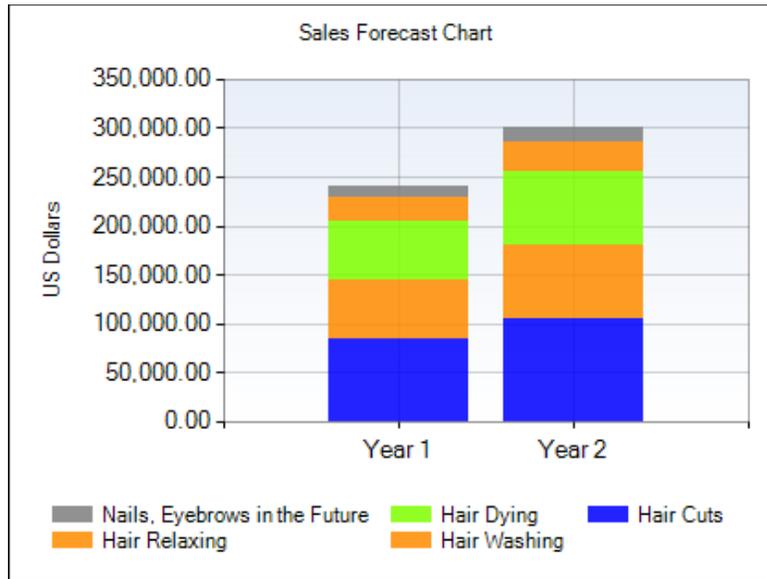
Description	Value
Payroll Tax	8 %
Corporate Tax	15 %
Average Growth Rate Year 2	25 %
Average Credit Card Fees	2%
Average Cost of Goods/Supplies	14%
Salary of Employees (per week)	\$400
Staff Members	2
Hours of Operation per Week	40
Average Number of Customers per Week	84
Average Consumption per Client	\$55
SQF	1,800

10.2. Sales Forecasts

The following table provides details of the projected sales of Beauty & Hair Salon:

Product Name	Sales Per Period (US Dollars)	
	Year 1	Year 2
Hair Cuts	\$84,100	\$105,100
Hair Washing	\$60,100	\$75,100
Hair Dying	\$60,100	\$75,100
Hair Relaxing	\$24,000	\$30,000
Nails, Eyebrows in the Future	\$12,000	\$15,000
Total	\$240,300	\$300,300

10.2.1. Sales Forecast Chart



10.4. Projected Profit and Loss

The table below shows the projected profit and loss results for the next 2 years.

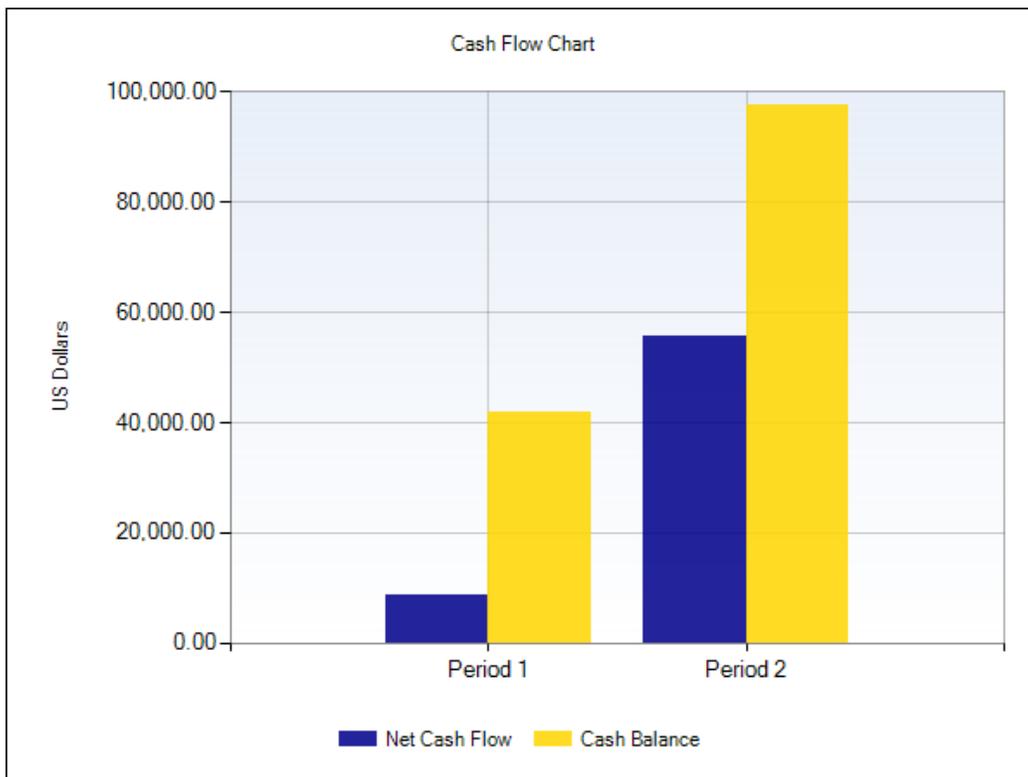
	Year 1	Year 2
Sales	240,300	300,300
Variable Costs	38,448	48,048
Gross Margin	201,852	252,252
Gross Margin (%)	84 %	84 %
Monthly Rent	36,000	37,200
Insurance	4,200	4,320
Phone and Internet	3,000	3,120
Utilities	7,680	7,920
Supplies	6,000	6,600
Software/Hosting/Domain	1,200	1,320
Repair and Maintenance Services	1,200	1,320
Office Supplies/Stationary	4,800	5,400
Miscellaneous	1,200	1,200
Management Salary	40,000	45,000
Personnel Salary	38,400	60,600
Marketing Campaigns	5,000	6,600
Payroll Tax	6,272	8,448
Total Operating Expenses	154,952	189,048
Profit Before Interest and Taxes (EBITDA)	46,900	63,204
Depreciation	1,220	1,220
Amortized Start-up Expenses	12,520	12,520
Net Profit Before Taxes	33,160	49,464
Corporation Taxes	4,974	7,419.6
Net Profit	28,186	42,044.4
Net Profit (%)	11.73 %	14 %

10.4.1. Profit & Loss Chart



10.5. Projected Cash Flow

	Year 1	Year 2
Cash Sales	240,300	300,300
Total Cash from Operations	240,300	300,300
Expenditures		
Expenditures from Operations		
Variable Cost Paid in Cash	38,448	48,048
Operating Expenses	154,952	189,048
Total Spent on Operations	193,400	237,096
Additional Expenditures		
Corporate Tax	4,974	7,419.6
Asset Purchase	8,100	0
Start-up Expenses	25,040	0
Total Additional Expenditures	38,114	7,419.6
Net Cash Flow	8,786	55,784.4
Cash at the beginning of the period	33,140	41,926
Cash Balance	41,926	97,710.4



10.6. Balance

	Year 1	Year 2
Assets		
Cash	41,926	97,710.4
Long Term Assets	8,100	8,100
Accumulated Depreciation	(1,220)	(2,440)
Deferred Assets	25,040	25,040
Start-up Expenses Accumulated Amortization	(12,520)	(25,040)
Total Assets	61,326	103,370.4
Liabilities and Equity		
Paid-in Capital	33,140	33,140
Retained Earnings	28,186	70,230.4
Net Worth	61,326	103,370.4
Total Liabilities and Equity	61,326	103,370.4

The following chart shows the balance during the life of the project.

