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BUSINESS PLAN



Business Plan for Hair Couture

Executive Summary

The beauty industry is one of the most proliferated industries not only in the country, but also across the globe. This is mainly, because women are known to pursue good looks more than men. Moreover, modern hair salons focus on offering services to both men and women. This hair salon will not only focus on both sexes, but also encompass children, the aged and the handicapped. The industry is bound by strict rules and regulations especially on licensing or health and safety issues. Specifically, this salon will target all people, but focuses, in a special way, on the middle class working professionals. Moreover, it recognizes the fact that there is stiff competition in the industry. However, the main players are devoid of bringing out the best out of a client's hair. This business seeks to focus on perfection of service delivery for a wonderful customer experience. The company is a new family-owned business that will offer services such as hair treatment, blow outs, haircuts, color services, extensions, updos, highlighting, and spray tans.

The basic marketing strategy will be through word of mouth. It is expected that the clients who are attended would be fully satisfied thus, telling their friends and family about the salon. In addition, the salon will advertise in social medias such as Facebook, blogs, discussion boards, forums, and other online platform that are relevant to the industry. A well trained management team will be put in place. One of the employees will

be put in charge of day-to-day operations of the salon. Moreover, the overall management will belong to one family member while the rest remain to be the directors. Some of the risks include fire, losses, and change of laws. In extreme cases, the business would merge with older salons as an exit strategy. It is expected that the company will be paying \$2,200 per month for rent plus employee salaries.

Industry, Target Customers, and Competitor Analysis

There is an immense differentiation of the beauty industry. Although, the industry has been doing well for many years, the last two decades have seen a great shift in the way the business is done. Among other things, this has been caused by changes in customer tastes and preferences. In the town, most salons are situated at the centre of the town. They are subject to more stringent taxes yet quality has never topped the list of their priorities. This company will not mainly strive to make profits, but first to penetrate the market by proposing unique services that are perfectionist. The company does not only target the middleclass working niche or segment, but also the handicapped: there will be ramps. This is believed to give the company a higher stake over the competitors who although have a larger customer base, do not care much about the physically challenged.



Company Description

The company is a family business that will be guided by the laws regulating private enterprises. The salon is a start up business that seeks to penetrate the already saturated market, but with unique business ideals. The company has been duly registered in accordance with the laws of the country. Establishment of the company was borne out of the need to propose a higher quality to customers in the town. Although, the salon will offer the usual services of a salon, it will do so in a unique manner such that the client would always come back with others.

Service Plan Justification

In order to meet the high costs of doing business, salons are offering substandard services in order to maximize their profits and minimize expenditures. This company will uniquely offer the intended services. These include updos, highlighting, hair treatment, blow outs, haircuts, color services, extensions, and spray tans (Couture Salon, 2012). To offer these effectively, the employees will be trained on the highest standards of customer care and service. There will be individualized attention, passionate touches and after-sale services. This will be done specifically, because other salons simply hurry up with clients in order to make more money. The salon's services will be justified by customer relationship not profit motives at initial stages.



Marketing Plan

One of the ways to attract customers will be through pleasant painting, branding of the outer walls of the salon and window display. Actually, in order to identify customers, it is expected that they would come requesting for services. They could also be seen admiring the salon and a conversation initiated that leads to a sale. With the emergence of social media, it will be possible to identify those clients requiring our services. The employee who will be in charge of marketing will also make promotional brochures and word of mouth messages to attract clients in close proximity. The sales force will comprise of an employee who would be more active on social media while there shall be direct selling approach.

Operations and Development Plan

A family member, proprietor, and partner will be responsible for overseeing day-to-day operations. To start up, there will only be one outlet, which will be a rented house. It will be refurbished to attract customers. Although, the space will be rented, equipments will be bought. Quality control will be based on the client's deliverables and satisfaction. Clients will be encouraged to give a feedback. This could be verbally said or electronically transmitted. These comments will be analyzed and the necessary adjustments made. There will be a list of



duties to be done on a daily basis by each employee. Targets will be set that there is the minimum number of clients per employee. In order to reduce operational expenses, purchasing will be highly controlled. Final purchasing decisions are made by the family partner responsible for the accounts. Most importantly, since equipment is relatively expensive, there will be an assets register for inventory control.

Management Team Description

The highest management comprises of the directors of the company, who are also the sole investors. One of them will oversee operations, but general management will be done by a manager. For startup, the salon will have at least three stations, which mean there will be three employees including a manager and excluding the partner. It is expected that the company will be able to grow client base to double it in six months. Therefore, additional two employees will be employed. In order to achieve the desired results, there will be a series of staff training. The success of business depends on the level of its employees' training. Although, the company will employ well trained workers, they may have to be mentored or retrained before they gain the necessary experience.



Critical risks

There are both general and specific risks to this venture. Moreover, writes that the higher the risk is, the higher the profitability is. Firstly, the general risks are like fire outbreak, theft or even change of laws to the detriment of the business. To curb these, some of the measures will be the fitting of the house with fire extinguishers and security cameras. It is expected that this will contribute to the reduction in expenses, operational costs, and risk mitigation. Secondly, business-specific risks may be things like breakage of equipment, competition or even losses.

Exit strategy

The business model puts into consideration the uncertainty of the future market dynamics such as increased competition or radical changes in law. In spite of this, the company would still stand by its philosophy of customer relationship. Therefore, in the event of unbearable market situations, the company would merge with the already existing salons in order not to let the customers on their own through a company sale. The entrepreneurs would perhaps reach a deal in which the employees are retained for the benefit of the customers.

Therefore, the company would not completely exit the market.



Financial plan

The major source of funding will be the individual contributions of the family members forming the venture. The shares of each partner will be in terms of their proportional contribution to the start up capital. Being a start up, there are no income statements, balance sheets or cash flow statements. Moreover, the major capital requirements are rent of \$2,200 per month, refurbishment and renovation, employees' salaries, operational expenses, and cost of sales.

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Appendix

Start up budget for the first 6 months

ITEM	DESCRIPTION	COST
Rent	\$2,200 per month	13,200
Renovation	Once	400
Equipment	Trolleys, furniture, combs, curling irons, scissors, products, and perm tools.	1200
Salaries	3 employees@\$350	1050
Operational expenses	Electricity, communication etc.	400
TOTAL		\$16,250

