
NAME OF BUSINESS; Maia's Beauty Salon

...Enhancing Your Beauty...

Type of Business: sole proprietorship

Nature of Business: Hair styling

EXECUTIVE SUMMARY

This recommendation is in regards to the proposal of the establishment of Maia's Beauty salon at Eden Plaza, Aba. This project will require a start-up capital of N10 250 000 with which N7 200 000 items would be bought and a well-spaced shop rented.

The business being owned by a sole proprietor would be managed by ten people, one who is the manager, the rest are workers who are all shareholders in the business. Its location would be proximal to a few female lodges and a university, in Aba.

The business has been well planned and expected to break even within the fourth and fifth year as seen in the financial projections. Also, the laid out strategies will aid in distinguishing the business among its competitors within a very short period of time.

VISION

To project the glory of women through hair styling

MISSION STATEMENTS

To give women quality hair dressing in accordance with their desire.

To set the pace in quality and customers' satisfaction in our service.

To provide efficient and cost-effective services.

OWNERSHIP

Maia's beauty salon is a sole proprietorship with nine workers.

LEGAL STATUS

Maia's beauty salon will be fully registered under the Corporate Affairs Commission (CAC) license will be obtained upon registration.

LOCATION

Maia's Beauty salon will be located at Eden Plaza, Aba, Abia state. Aba is densely populated with a high level of literacy and economic activities.

The potential address has a great advantage because of its proximity to major centres of activities such as Abia State University (the state university), some female lodges, two primary schools and a Government Secondary School. Security is also at its optimum level in the environment.

PRODUCTS AND SERVICES

- Hair dressing
- Nail fixing
- Make-up
- Hair products example jells,relaxer etc.
- Head gear styling

BUSINESS STRATEGY

Providing quality products and services at optimum prices

Appealing to the customer's sense of value

Creating customer friendly atmosphere

Maintaining one on one customer relationship

Providing online services via [www.maia beauty salon online.com](http://www.maia-beauty-salon-online.com)

SUCCESS FACTORS

- Presence of government schools
- Presence of a university
- High standard of living.
- Sales of quality products
- Effective and efficient customer care service.

TARGET MARKET

Abia state university students and other surrounding schools

All age grades.

KEY COMPETITORS

Tara super markets

Hosanna school of hair dressing

Maia's beauty salon maybe new to the environment but possesses a competitive edge over competitors due to our efficient professional services and also the existence of a make-up stand in the salon and head tie/gear dressing.

SERVICE DELIVERY

Home service hair dressing

E-ProvisionStore

Maia's beauty salon runs an online service to enable adequate hairstyling home services through an easy website. ([www.maia's beautysalon.com](http://www.maia'sbeautysalon.com)). The online platform allows customers to know about Maia's beauty salon, order for services as well as ask questions and receive answers through a feedback platform.

Terms and conditions apply via this medium which is as follows;

- Request should be made 3days before the exact day for service to be rendered
- The platform is not for emergency orders.

MARKETING PLAN

Promotion Strategy

Issuing out free hair dressing for a month etc

No transport fee attached on first day of service.

SWOT ANALYSIS

Strength

- Online service platform
- Presence of a knowledgeable manager
- Constant provision of quality products and efficient customer care.

- Low number of competitors

Weakness

- Due to security reasons, curfew restrictions by government restrict night service.
- Newness to the environment.

Opportunities

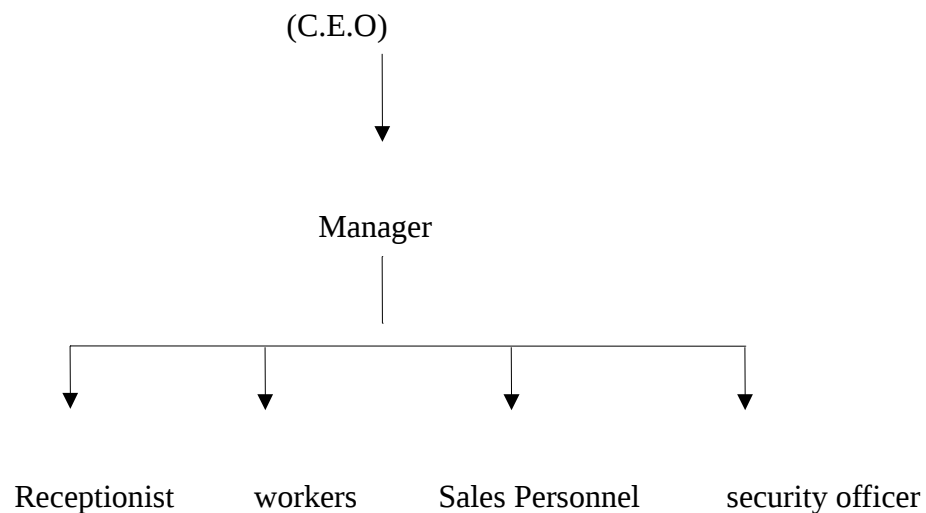
- Large population density
- High standard of living of the masses.
- Prevalence of literates in the environment
- Proximity to the major university.

Threats

- Political uncertainties
- The two major competitors

ORGANIZATION AND MANAGEMENT

Organizational structure



Organization and Management

The Business will be organized and managed by

1. A Manager
2. A receptionist
3. 2 Sales personnel
4. Workers
5. Security officer

5.2 Risk management

1. Use of fire Extinguishers in case of fire outbreak
2. Securing the environment to avoid shop- lifting
4. Proper record of items in stock or sold in registers for easy accountability.

ACTION PLAN

MONTH	ACTION
July- September	Acquisition of building, fixtures and stocks, staff - recruitment
October	Official opening of the beauty salon and staff - training
November	Continuation of staff training
December- January	Advert placements.

February	Board meetings
March	Personnel Training, Evaluation and feed back
April	Month of bonanza[free hair service for regular customers]
May- June	Financial Report, Board meeting and Annual Evaluation.

FINANCIAL PROJECTION

Set up capital(N)

Equipment 800,000

(Air conditioner, refrigerator,

Computer system, water dispenser,

Generator, fire

Extinguisher, T.V, Decoder, UPS, pos)

Sign post 50,000

E-service equipment (for online services) 30,000

Totalset-up capital 1,000,000

Start up capital

License 2,500,000 (for 5 years)

Maintenance 50, 000

Salaries for the year 2,112, 000

Insurance premium	-
Rent	1,200,000
PHCN/fuel	180,000
Registration	120, 000
Web site development	50,000
Marketing cost	50,000
Miscellaneous	38, 000
Total start-up capital =	10, 250, 000

Total start-up and set-up capital 10,250,000

INCOME STATEMENT

	Year 1 (N)	Year 2 (N)	Year 3 (N)	Year 4 (N)	Year 5 (N)
Annual sales and services	16,200,000	17,500,000	28,000,000	40,750,500	54,985,670
Cost of goods sold (COGS)	12,000,000	12,427,500	14,002,600	18,751,365	22,142,700.65
Gross Margin	4,200,000	5,072,500	13,997,400	21,999,135	32,842, 969.35
Gross margin Ratio (%)	25.92	28.98	49.99	53.98	59.73
Operating Expenses	3,750,000	3,000,000	4,000,000	4,150,000	4,300,000
Net Profit Before Tax (NPBT)	450,000	2,072,500	9,997,400	17,849,135	28,542,969.35
Tax (5% of	22,500	103,625	499,870	892,456.75	1,427,148.468

NPBT)					
Net Profit After Tax (NPAT)	427,500	1,968,875	9,497,530	16,956,678.25	27,115,820.88
Net Profit Ratio (%)	2.77	11.84	35.70	43.80	51.90
Retained earnings		100%	80%	50%	20%
	427,500	1,575,100	4,748,765	3,391,335.65	-
Dividend	-	393,775	4,748,765	13,565,342.6	-

CASH FLOW

	Year 1(N)	Year 2(N)	Year 3(N)	Year 4(N)	Year 5(N)
Cash in					
Sales and Services	16,200,000	17,500,000	28,000,000	40,750,500	54,985,670
Total Cash in	16,200,000	17,500,000	28,000,000	40,750,500	54,985,670
Cash out					
Salaries	2,112,000	2,112,000	2,337,600	2,337,600	2,500,000
Rent	1,200,000	-	600,000	600,000	600,000
PHCN/Fuel	180,000	184,000	188,000	200,000	200,000
Transportation	90,000	97,000	100,000	118,000	100,000
Registration	120,000	80,000	80,000	80,000	80,000
Insurance	-	500,000	650,000	750,000	750,000
Tax(5%)	22,500	103,625	499,870	892,456.75	1,427,148.47
Miscellaneous	48,000	27,000	44,400	64,400	70,000

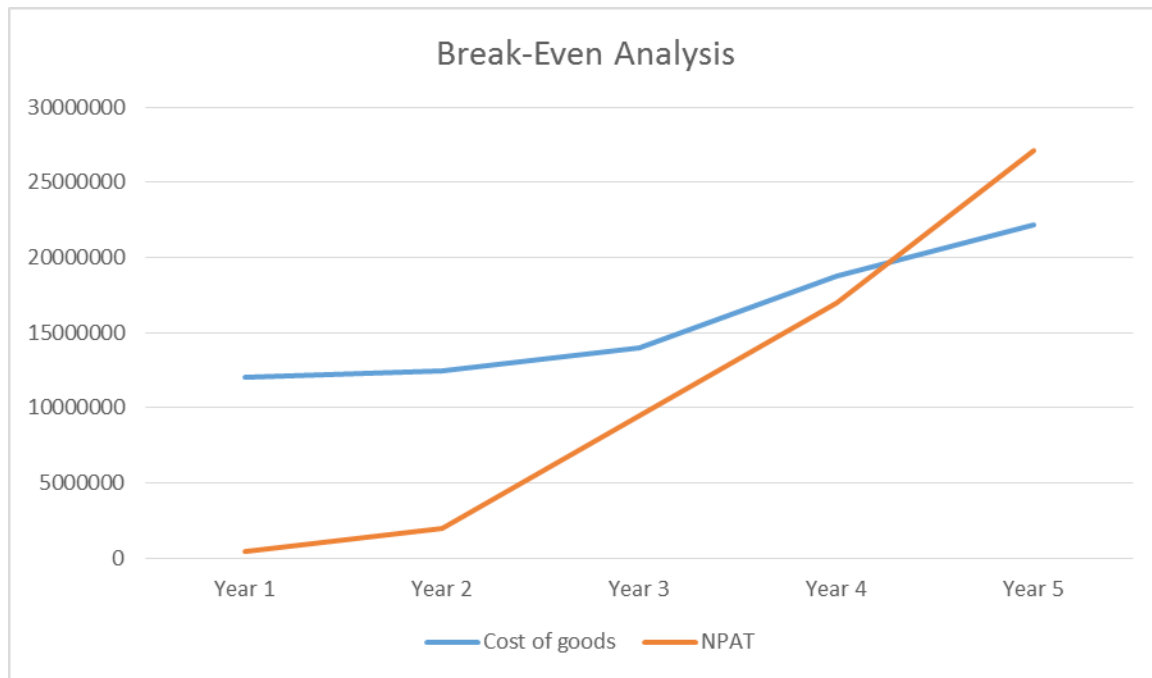
Total cash out	3,772,500	3,103,625	4,499,870	5,042,456.75	5,727,148.47
Cash balance	12,427,500	14,396,375	23,500,130	35,708,043.25	49,258,521.52

BALANCE SHEET

	Year 1(N)	Year 2(N)	Year 3(N)	Year 4(N)	Year 5(N)
Assets					
Current Assets					
Cash	360,000	372,825	420,078	562,540	664,280
Total Current Assets	12,360,000	12,800,325	14,422,678	19,313,905	22,806,980.65
Fixed Assets					
Rent	1,200,000	-	600,000	600,000	600,000
Insurance	-	500,000	650,000	750,000	750,000
Registration	120,000	80,000	80,000	80,000	80,000
License	2,500,000	-	-	-	-
Equipment/fixtures	800,000	800,000	760,000	722,000	649,800
Depreciation(%)	-	-	5	7.5	10
Total Fixed Asset	4,740,000	1,500,000	2,204,000	2,257,450	2,174,705
Total Asset	17,100,000	14,300,325	16,626,678	21,571,355	24,981,685.7
LIABILITIES					
Salaries	2,112,000	2,112,000	2,337,600	2,337,600	2,500,000

Transportation	90,000	97,000	100,000	118,000	100,000
PHCN/Fuel	180,000	184,000	188,000	200,000	200,000
Tax (5%)	22,500	103,625	499,870	892,456.75	1,427,148.47
Miscellaneous	48,000	27,000	44,400	64,400	70,000
Total liabilities	2,452,500	2,523,625	3,169,870	3,432,456.75	4,297,148.47
NET WORTH					
Owners Equity	14,220,000	10,201,600	8,708,043	14,747,562.6	20,684,537.2
Retained Earnings	427,500	1,575,100	4,748,765	3,391,335.65	-
Total Net Worth	14,647,500	11,776,700	13,456,808	18,138,898.2	20,684,537.2

BREAK-EVEN ANALYSIS



SCHEDULE OF OPERATIONS

Mondays to Saturdays: 8am-7pm

EXIT STRATEGY/PLAN

With the above plan, the business is expected to make good profit and thrive financially. In spite of that, good and efficient exit strategies have been laid out to arrest uncertain situations e.g.

- a) Failure to break even within first five years
- b) Occurrence of Natural Disaster around the community.
- c) Persistence in high rate of insecurity

. In the above cases, services will be rendered adequately towards each specific issue.

CONCLUSION

Maia's beauty salon is greatly recommended for quality hair services.