

Business Plan



For

Jannie's Hair Salon

FACULTY OF ARTS

ASSIGNMENT:

BUSINESS PLAN ON HAIR DRESSING

BY

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1.0 Executive Summary

Jannie's Hair Salon is 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. We will also maintain a friendly, fair, and creative work environment, which respects diversity, ideas, and hard work.

Our Mission: To supply services and products that enhance our client's physical appearance and mental relaxation.

Our Motto: Utmost Customer Satisfaction

JaneFrances has worked in a prestigious, upscale salon in independence layout, Enugu for the past two years. JaneFrances has created a large client following through hard work and dedication. JaneFrances, and her team of talented beauticians, have what it takes to make this venture an extremely successful one. We expect our growing reputation to lead to new clients and attract more beauticians to support our anticipated growth.

The keys to success in our business are:

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.

2.0 Products and Services

Jenny's Hair Salon will be providing both services and products to better meet our customers' needs.

2.1 Services

Jannie's Hair Salon is considered an upscale, full-service beauty salon. We offer a wide range of services that include:

Hair: cuts; relaxers; perms; colours; shampoo; conditioning; curling; reconstructing; weaving; and waving.

Nails: manicures; pedicures; polish; sculptured nails.

Skin Care: facials; body waxing; massages.

2.2 Products

Jannie's will, upon commencement of operations, sell a wide range of beauty products. We will be providing quality hair, nail, and skin care products. Jenny's has an exclusive contract with PEP to sell their top quality products. In addition we will have other name-brand products for sale to meet customer needs. The products will include shampoos, conditioners, mousse, hair spray, nail polish, nail files, skin conditioners, and cleansers, facial masks, and other such beauty products. What will set Jannie's Hair Salon apart from the competition is our commitment to providing all of these products and services in one convenient location.

2.3 Pricing

The brand-name hair products will range in cost from N500.00 – N1,500.00. These costs will not vary from other competitors as there is a standard price that salons may charge for these products. Our mark-up will be approximately 60% above cost for a retail price range of N2000.00 – N3000.00. This is standard pricing in comparison to the competition.

Our services will average N750.00, with a range of N250.00 for a hair trim to N2500.00 for a complete beauty package (hair, massage, facial, manicure, and pedicure). These prices are lower than our competitors' pricing.

3.0 Market

The beautification industry is economically stable. However, our market share is on the rise with an increase in disposable income as more women join the workforce. Industry trends show that as time becomes more limited, people want faster, easier and more economical services all in one location. Customers are more educated and more demanding of quality service. Our market area includes the city of Nsukka and surrounding communities. This will include a target population of 3500-4000 people who fit our customer profile.

3.1 Competitive Summary

Jannie's Hair Salon wants to set itself apart from other beauty salons that may offer only one or two types of service. Having come from such a salon, Jenny realized from talking to clients, that they desire all of the services that we are proposing, but they remain frustrated because they must get their hair done at one place, and nails at another. Although the focus of Jannie's Hair Salon is hair services, we do plan to offer our clients the convenience of all these services in one location. There are a number of salons like ours, but they are mainly in the very high income parts of Nsukka and its surrounding areas. We do not intend to compete with these so called "road side". We wish to offer a middle ground for those clients who can't quite afford those high-end luxury salons.

3.2 Advertising

Our advertising strategy is a simple one: satisfied clients are our best marketing tool. When a client leaves our business with a new look, he or she is broadcasting our name and quality to the public. Most of our clients will be referrals from existing clients.

No major advertising campaigns are planned. Our research has shown that word of mouth is the best advertising for this type of business. We will, however, run specials throughout the week. We will also offer discounts to the new clients who have been referred.

Our advertising budget will be based on approximately 1% of our sales.

3.3 Customer Profile

Jannie's typical client will be:

Between the ages of 20 and 55

Income levels of N25,000 to N400,000

Female

Typically employed part or full-time

Looking for a salon close to the work place, for lunch hour services or immediately after work

Looking for reasonably priced services with a high level of luxury

They like to be able to have all beauty care services and products in one location due to a busy lifestyle.

4.0 Operational Summary

4.1 Supplier Summary

All of the major supplies, combs, hair care products, towels, capes, etc, will be purchased from The Hair Warehouse which is conveniently located at No 24, phase 6, Trance Ekulu, Enugu. For the first three months, until a credit rating is established, all items will be paid on a C.O.D. basis. Once a credit rating is established an account will be formed which will be payable every 30 days.

4.2 Location

The salon will be located in a retail strip mall at 35, Onunyi , Nsukka. The salon will utilize 1,540 square feet. It is a high profile area, with easy access from all parts of the city.

4.3 Employment Overview

In the first year, Jenny's Hair Salon will require a receptionist who will greet customers and receive payment for services and products. The salon will also include a financial manager to oversee all of the expenses, bills, payroll, etc.

There will also be three hair stylists (including Janefrances), a barber, and a part time nail, facial and massage technician until the business can build a reputation that will attract others to work there.

Everyone but the receptionist and the financial manger will be contract workers, and will be paid a sliding commission scale based on the amount of revenue created.

Training classes to help improve employee product knowledge and skills will be conducted on a regular basis. As the business grows, the company will consider offering an employee benefit package to include health and vacation benefits for everyone.

4.4 Regulations

Jannie's Hair Salon will be operated in strict guidance with the health and dress codes, particularly when working with customers. All employees will be expected to be punctual, polite and respectful to all customers and staff, and follow the implemented dress code which consists of a company smock, dark pants and dress shirt/blouse. All lunch breaks will be 45 minutes in length.

4.5 Insurance Coverage

The insurance that will be needed for Jannie's Hair Salon and the agency that it will purchase through is as follows:

Theft Insurance – Home Insurance Agency

Liability Insurance – Premier Insurance Agency

Car Insurance – Insurance Agency

Benefit Packages – True Life Insurance

5.0 Management Summary

Jannie's Hair Salon will be organized and managed in a creative and innovative fashion to generate high levels of customer satisfaction. This will also create a working climate conducive to a high degree of personal development and economic satisfaction for employees.

Janefrances Ndubuisi: Owner. Jenny has been a beautician for two years. As a graduate of Bellair Beauty College in 2000, she has quickly developed the trade skills that have led to her success. Since graduation, she has worked at Hair Masters in Enugu as a beautician and has established a variety of client. She loves dealing with people, and has the drive, ambition and discipline to manage the business and its employees.

6.0 Action Plan

Jannie's Hair Salon will be opening January 1st once the finances are received. To begin with Jannie's Hair Salon will concentrate on the marketing aspect to target new client. We expect to service approximately 75 customers a week for hairdressing, an average of 5 customers per day between the 3 hairstylists. It is expected that approximately 10 customers a week will use the nail, facial and massage services. The products will

7.0 Financial Information

7.1 Project Cost

Start – Up Expenditure (Budget)

Basically, to launch my hair dressing business in Nigeria, I would need the following;

- The amount needed to acquire a small facility with space for storage of working tools and equipment would cost N50,000.
- Equipping the facility would cost N100,000
- The cost for acquiring the required working tools, equipment, machine and materials would cost N150,000
- Website, fliers etc would cost N30,000
- Miscellaneous expenses would cost N20,000

We would need an estimate of **N350,000** to successfully set up hair dressing business in Little Nsukka.

Generating Funding / Startup Capital for jennies' hair saloon.

We do not intend to welcome any external business partners, which is why we have decided to restrict the sourcing of the start – up capital to 3 major sources.

These are the areas we intend generating our start – up capital;

- Generate part of the start – up capital from personal savings
- Source for soft loans from family members and friends
- Apply for loan from in a Bank

3.1 Sales Forecast

We have been able to critically examine the hair dressing business and we have analyzed our chances in the industry and we have been able to come up with the following sales forecast. The sales projection is based on information gathered on the field and some assumptions that are peculiar to startups in Enugu.

Below are the sales projection for jennies' hair saloon., it is based on the location of our business and other factors as it relates;

- **First Fiscal Year-:** N400,000
- **Second Fiscal Year-:** N650,000
- **Third Fiscal Year-:** N1million

FINANCIAL SUMMARY

7.1 SWOT Analysis

Jennies' hair saloon is in business to become one of the leading hair dressing businesses in the Nigeria and we are fully aware that it will take the right business concept, management and organization – structure to achieve our goal.

We are quite aware that there are several large and small scale companies all over the Nigeria and even in the same location where we intend locating ours, which is why we are following the due process of establishing a business.

We know that if a proper SWOT analysis is conducted for our business, we will be able to position our business to maximize our strength, leverage on the opportunities that will be available to us, mitigate our risks and be well equipped to confront our threats.

- **Strength:**
- **Weakness:**
- **Opportunities:**
- **Threat:**

CONCLUSION

Jennies' hair saloon is position in the industry is widely varied. In such a climate, the best investment opportunities will be awarded to companies that have the ingenuity and creativity to meet the customers' demands for an industry driven by economic conditions, demographic

trends, and pricing. We have carefully considered its market, potential customer base, and its ability to grow its sales average to capture 0.1% of the hair dressing industry.