

**TREND SETTERS BEAUTY PLACE.**

AFE BABALOLA UNIVERSITY

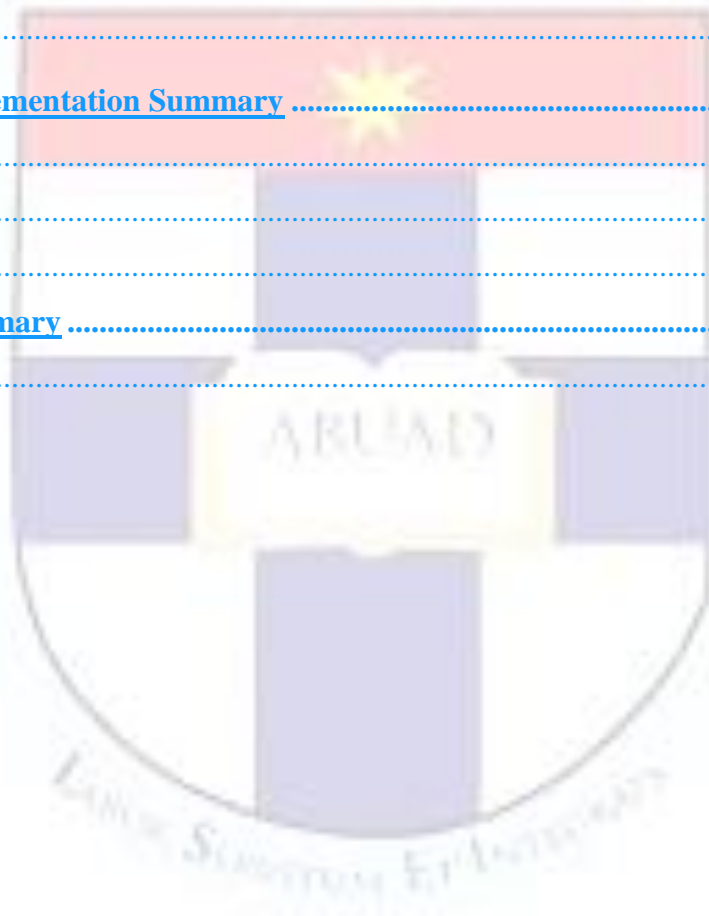
**Business Plan On The Production of Trend Setters  
ABINYE-BROWN PRECIOUS A.**

**18/LAW01/003**

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## **Executive Summary**

### **Introduction**

Trend Setters 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 clients' physical appearance and mental relaxation.

**Our Motto:** "Your Looks Matters To Us!!"

The timing is right for starting this new venture. Patiently searching for six months for the perfect location, one was finally found. The demand from the owner's clients, as well as the ambitions of the owner to one day start her own salon, and the procurement of highly professional and qualified beauticians to support the salon, has made this business one of great potential.

Curley Comb, co-owner with Roller Comb, Jr., her husband, has worked in a prestigious, upscale salon in MyTown, Texas for the past two years. Curley has created a large client following through hard work and dedication. Curley, and her talented team of beauticians, has what it takes to make this venture an extremely successful one. We expect our growing reputation to lead to new clients and beauticians to support our anticipated growth.

To achieve our objectives, Trend Setters is seeking additional loan financing. This loan will be paid from the cash flow from the business, and will be collateralized by the assets of the company, and backed by the character, experience, and personal guarantees of the owners.

## **Company Summary**

Trend Setters will, upon commencement of operations, sell a wide range of beauty services and products. We will provide quality hair, nail, and skin services, along with top lines of beauty products. What will set Trend Setters apart from the competition is our commitment to providing all of these services in one convenient location.

The salon will be located in a retail strip mall at No 4 Akujagu street, Off Peter Odili Road, Port-Harcourt. The salon will utilize 1,540 square feet. The location is strategically situated on one of the busiest streets in MyTown. It is a high profile area, with easy access from all parts of town.

## Start-up Summary

After spending several months searching for a salon to purchase, the owners decided to start a salon from the ground up. The start-up capital will be used for the design, leasehold improvements, and equipment of the salon.

Leasehold improvements will amount to approximately ₦12.6m , and salon equipment will cost about ₦10.5m. The owner will invest ₦195,000 for cash-on-hand at starting date.

**Table: Start-up**

<i>Start-up</i>	
Requirements	
Start-up Expenses	
Rent deposit	₦708,630
Other	₦0
Total Start-up Expenses	₦708,630
Start-up Assets	
Cash Required	₦195,000
Other Current Assets	₦2,000,000
Long-term Assets	₦5,000,000
Total Assets	₦7,195,000
<b>Total Requirements</b>	<b>₦7,903,630</b>

## **Start-up Funding**

<i>Start-up Funding</i>	
Start-up Expenses to Fund	₦708,630
Start-up Assets to Fund	₦195,000
Total Funding Required	₦903,630
Assets	
Non-cash Assets from Start-up	₦7,903,630
Cash Requirements from Start-up	₦708,630
Additional Cash Raised	\$0
Cash Balance on Starting Date	₦195,000

Total Assets	₦8,807,260
Liabilities and Capital	
Liabilities	
Current Borrowing	₦0
Long-term Liabilities	₦5,000,000
Accounts Payable (Outstanding Bills)	₦0
Other Current Liabilities (interest-free)	₦0
Total Liabilities	₦5,000,000
Capital	
Planned Investment	
Owner	₦195,000
Investor	\$0
Additional Investment Requirement	\$0
Total Planned Investment	₦195,000
Loss at Start-up (Start-up Expenses)	(₦708,630)
Total Capital	(903,630)
Total Capital and Liabilities	\$60,600
<b>Total Funding</b>	<b>₦8,807,260</b>

## Products and Services

Trend Setters is considered an upscale full-service beauty salon. We will offer a wide range of services that include:

### Hair

- Cuts
- Relaxers
- Perms
- Colors
- Shampoo
- Conditioning
- Curling
- Reconstructing
- Weaving
- waving.

### Nails

- Manicures
- Pedicures
- Polish
- Sculptured nails

### Skin Care

- European facials
- Body waxing
- Massage



# Strategy and Implementation Summary

Skill at what we do, good customer service, and creating a pleasant environment for our customers will be important to implementing our business plan.

## Competitive Edge

Trend Setters wants to set itself apart from other beauty salons that may offer only one or two types of services. Having come from such a salon, Curley has realized, from talking with her 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 done at another. Although the focus of Trend Setters is hair services, we do wish to offer our clients the convenience of these other services in one location.

There are a number of salons like ours, but they are mainly in the very high income parts of MyTown and surrounding areas. We wish to offer a middle ground for those clients who can't quite afford those high-end luxury salons.

Our business atmosphere will be a relaxing one where clients can kick back and be pampered. Soft drinks will be offered to clients as they enter for service. Televisions will be located in the waiting and hair-drying area.

## Marketing Strategy

Our marketing 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 anticipated. 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 ask clients for referrals, and reward them with discounted or free services depending on the number of clients they bring. We will also offer discounts to the new clients who have been referred. There are plans for a lottery that will offer a free trip to, say, Cancun. A client would simply refer new clients to us, and we will place a card in a box for each client he or she brings. The more they bring, the more chances they have of winning the trip.

## Sales Forecast

We anticipate the highest peak on the months of November and December in our sales forecast, due to the holiday seasons. It means vacation time, This will even be to our advantage because from November people will be making preparations to travel which also includes their hair

making and what have you, so the salon visitation at this point will be at an increase because everyone will be in the spirit of Christmas Preparations.

### Sales Forecast

<i>Sales Forecast</i>	Year 1	Year 2	Year 3
Sales			
Owner	₱200,440	₱350,096	₱450,600
Stylist #1	₱200,440	₱350,096	₱450,600
Barber #1	₱90,000	₱95,000	₱100,000
Stylist #2	₱100,000	₱150,000	₱200,000
Stylist #3	₱0	₱90,000	₱150,000
Nails and massage	₱150,000	₱100,000	₱180,000
Product sales	₱50,000	₱60,000	₱70,000
<b>Total Sales</b>	<b>₱790,880</b>	<b>₱1,195,192</b>	<b>₱1,601,200</b>
Direct Cost of Sales	Year 1	Year 2	Year 3
Product Costs	₱40,320	₱40,300	₱40,400
Other	\$0	\$0	\$0
<b>Subtotal Direct Cost of Sales</b>	<b>₱40,320</b>	<b>₱40,300</b>	<b>₱40,400</b>



# Management Summary

Trend Setters will be organized and managed in a creative and innovative fashion to generate very high levels of customer satisfaction, and to create a working climate conducive to a high degree of personal development and economic satisfaction for employees.

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.

## Personnel Plan

The personnel plan calls for a receptionist who will greet customers and receive payments for services and products. There will be five hair stylists, one barber, one nail technician, one facialist, and a massage therapist. Everyone but the receptionist will be contract workers, and will be paid a sliding commission scale based on the amount of revenue created. Future plans include the hiring of a shampoo technician as the business expands.

In the first year, assumptions are that there will only be three hair stylists, a barber, and part time nail, facial, and massage technician until the business can build a reputation that will attract others to work there.

**Table: Personnel**

<i>Personnel Plan</i>	Year 1	Year 2	Year 3
Owner (Stylist)	₦40,000	₦45,000	₦50,000
Receptionist	₦20,400	₦25,120	₦30,876
Shampoo Tech	₦10,000	₦15,400	₦20,000
Total People	3	3	3
<b>Total Payroll</b>	<b>₦70,400</b>	<b>₦85,520</b>	<b>₦100,876</b>