NAME: AJAH MARGARET UGOCHUKWU

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DEPARTMENT: LAW

Executive Summary

SoulSpace aims to be the premier spa/salon in the Raleigh, NC area. Through a unique combination of offered services and products, they will quickly gain market share. SoulSpace will provide customers with a relaxing, rejuvenating atmosphere where all of their mind and body needs can be met. The business will be set up as a partnership with Steve Long, Debby Long, and Linda Hill-Chinn owning equal portions of the operation.

**Products and Services**  
SoulSpace offers a wide variety of mind and body healing services and products. The salon aspect of the business will provide both males and females with any type of hair styling services. The spa business is devoted to providing holistic methods of massage, body work, and energy work. This is all done in a relaxing, serene setting.

**Location**  
SoulSpace has chosen Raleigh, NC as their city for the business venture. Raleigh has consistently over the last few years been voted the best place to work and live in the USA, frequently making the top five and ten lists of Forbes, Money, and Inc. magazines. Raleigh has one of the most educated populations that loosely correlates to earning potential, or at least indicates a higher average household income. Additionally, the downtown area has undergone a recent renovation that has attracted a lot of new businesses as well as become a hot urban area.

**Competitive Edge**  
SoulSpace’s competitive edge is their unique combination of services, location, and customer-centric focus. Both the extraordinary services and location has been detailed previously. SoulSpace has set out since its inception to provide quality, dependable services. SoulSpace has an innovative training program that is extensive in its depth, properly training employees to provide an unprecedented level of customer service. All customers will leave SoulSpace with a feeling that their needs were met well beyond any expectations that they previously had and far better than any competitor. This customer-centric business model is not just rhetoric, there are financial incentives in place for employees to offer unprecedented levels of service. This will ensure a high rate of return customers, allowing SoulSpace to meet their ambitious goal of 90%.

**Financials**  
SoulSpace has forecasted substantial sales revenues by year two. Also by year two the business will reach profitability and have achieved a healthy profit before taxes. When SoulSpace begins their fundraising efforts they will consider options such as LLC status to replace the partnership business formation that they have currently adopted.

SoulSpace is an exciting business that provides a combination of sought after services that are not currently offered by a direct competitor. SoulSpace will provide a relaxing, serene setting for a variety of mind and body rejuvenation services for the booming Raleigh population.

Objectives

The objectives for SoulSpace are outlined below:

* Substantial sales revenue by end of second year.
* Profit before tax by end of second year.
* Have clientele return rate of 90% by end of first year.
* Become established community destination by end of first year.

Mission

SoulSpace will provide a comforting, yet stimulating, atmosphere in which customers will be able to relax both their body and mind, reconnecting their daily lives to their true purpose through a wide range of holistic methods including massage, body works, energy works, and hair styling. SoulSpace will establish itself as a dependable destination to which they can always come to escape the stresses of life, and rejuvenate their energies, their souls, and their lives.

Keys to Success

* Quality and skilled employees familiar with energy work and oriented to a soothing spiritual disposition.
* Establish trust within the community that each customer’s needs will be taken care of during every visit.
* Easily accessible location.
* Effective advertising.

Company Summary

SoulSpace Holistic Spa and Salon is a new destination offering customers the unique combination of hair styling, massage, body and energy work, and training, all in one beautifully serene setting. Soulspace will offer all ranges of hair styling, therapeutic massage, manicure, facial, sauna, Reiki, therapeutic touch, and specific complimentary product offerings. The goal and promise of SoulSpace can be summed up in our name and slogan: SoulSpace Holistic Spa and Salon–Rejuvenate Your Life!

Company Ownership

SoulSpace, at this time, is a privately held partnership, owned by Steve and Debby Long and Linda Hill-Chinn. In the course of fund raising, we will explore the feasibility of both a partnership, and a limited liability partnership.

Company Locations and Facilities

Target sites for SoulSpace include downtown Raleigh in the Warehouse District and Art Districts, West Raleigh near Entertainment Sports Arena, and a rural area off route 40/440 between Raleigh and Cary. SoulSpace will need at least 4,000 square feet (sq. ft.) of space. Initial estimates put leasing between $12/sq. ft. to $28/sq. ft. (inclusive of tax and accommodations).

Contact has been made with Mary Hobbson of Grub & Ellis Real Estate for 4,200 sq. ft. at 510 Glenwood Avenue downtown Raleigh. This site is within the target priority area in part of the Warehouse District in what is now referred to as Glenwood South. The lease is $28/sq. ft., making estimated payments at $9,800/month, the most expensive of all target sites.

We also have met with Peter Pace of York Properties when shown the space available at 200 West Street in Raleigh’s Warehouse district. This space is in priority target range, and will be two blocks from the Raleigh Commuter Rail Hub due to open in the next five to eight years. The location is spacious at 10,000 sq. ft., with first floor (5,000 sq. ft.) leasing at $12.50/sq. ft. and the basement floor (5,000 sq. ft.) leasing at $8/sq. ft., which averages out to $10.25/sq. ft. for the entire 10,000 sq. ft. location. This makes this space cheaper than the other locations, and has twice the space.

We have also met with David Stowe of Anthony Allenton Real Estate when shown space at the Royal Bakery on Hillsborough Street across from Meredith College. This location is within priority target, and has 6,000 sq. ft. at $20.60/sq. ft. This site is extremely attractive for it offers many accommodations such as plumbing, electrical, and hvac that will save us tremendously on construction costs, thusly counterbalancing the expense of rent, which is only $300, over our high-ended estimated budget. Also, this space is primely located on Hillsborough, 1/4 mile from the Beltine, and two miles from Highway 40. It is also the site of a future Commuter Rail Station. They have also built a large parking decking which will be free to all patrons.

Products and Services

SoulSpace will provide customers with personal beautifying and relaxational services and complimenting products, as well as training in specific forms of energy work, accessible materials on a wide range of health-related topics, and the option to purchase artwork displayed in SoulSpace. Explanations and/or consultations will be provided on all services and products if needed.

Product and Service Description

Men and Women Hair Styling: Men’s ($30 average) and women’s ($40 average) color ($75), perm ($80), and combos ($80-$120). Selected hair care products (shampoos, conditioners, cleansers, brushes, mirrors) will be sold as well.

Body Works: Massage ($60), other massage/body works ($65 average), facials ($60 average), manicures ($45), pedicures ($50-$65), waxing ($20 average), aromatherapy ($40), and combos ($60-$200 depending). Specific complementing products will be sold as well.

Energy Works: Reiki (1/2 hour $35, 1 hour $60), energy revitalization (1 hour $60), and therapeutic touch (1 hour $60). Customers will include people wishing to strengthen their physical body, mind, and spirit through the cleaning and revitalizing of their energetic system (i.e., aura, human energy field). The Reiki offered will be traditional Usui Shiki Ryoho, the predominant form of Reiki practiced worldwide, which originated in Japan from its rediscoverer Dr. Mikao Usui. Reiki is a hands-on “stepping” method of balancing the energy field. Energy revitalization and therapeutic touch are energy field cleansing and revitalizing techniques working with the outer levels of the energy field along with Reiki.

Artwork: Most of the artwork in SoulSpace will be by local artists, for sale to the customers. SoulSpace will earn a 15% commission on each piece sold. This adds an extra element of community integration to SoulSpace with an added emphasis of the art being from beginning artists, and that the art be spiritual and/or modern in form.

Competitive Comparison

There are many salons in the greater Raleigh area but no direct competitors. There are many places offering massage, but there are only ten day spas, of which only four are a spa/salon. There is one place offering energy work, in Clayton (30 minutes southeast from downtown Raleigh). All energy work practitioners are private, of which there are only ten working full-time, with most of them concentrating on other alternative modalities, and an estimated ten (twenty at the very most) part-time energy practitioners. Not including Chapel Hill and Durham, the above service an estimated population of at least 800,000, with that figure growing by an estimated 6,000 persons daily.

Sales Literature

Services brochure, logo/slogan with advertising to be included, and a planned website.

Fulfillment

SoulSpace services sell themselves as a natural way to rejuvenate one’s life.

Technology

SoulSpace will sell complementing products of the highest quality that have not been created through the testing of animals, and are of the latest scientific knowing for effecting the desired results for body beautification and energetic balancing maintenance.

Future Products and Services

SoulSpace will add healing touch when Steve Long earns his certification. SoulSpace will always remain involved with the best spa relaxation techniques offered, and will implement them if deemed appropriate and feasible for SoulSpace clientele.

Market Analysis Summary

There are no exact competitors, and few related competitors in the greater Raleigh area. There are no related competitors in the downtown Raleigh area. The space at 510 Glenwood was recommended to us by the managing realtors because they had targeted that space for a spa type tenant. By nature of the service SoulSpace will provide, success will be readily achieved.

Market Segmentation

Our target market will be divided by salon customers and spa customers. Salon customers will be from every age and gender; however, since the salon and spa will be in direct association with each other, we expect that the spa market segment will greatly affect the salon market segment. Thusly, our target market segment will be male and female professionals and retirees, from the age of 25, with individual and household incomes greater than $25,000.

Target Market Segment Strategy

The members of these market segments have luxury money on hand, and lead professional lives filled with stress at a consistent level. All persons usually need hair styling regardless of income level, and make the effort to find the money available to style their “look.”

Market Needs

People love to pamper themselves, especially people who have achieved a modicum level of professional success. Raleigh has become a bastion for the successful, having consistently been named as one of the best cities in America to live and to do business in since the mid 1990’s. This has created a community of wealth, mobility, and growth. Raleigh has successfully implemented a refurbishing plan of “old” downtown, which now makes Glenwood South, the Warehouse District, and Hillsborough Street one of the most popular destinations in the whole city.

Market Trends

With the refurbishment of Raleigh’s Warehouse District, including Glenwood South, and it’s continual development of downtown Raleigh, this area will only become more popular.

Market Growth

When Forbes, Inc., and Money, Inc. listed Raleigh as the best place to live and do business, and subsequently listed Raleigh in the top five and top ten in the following years, a population boom ensued in the late 1990’s.The North Carolina census released in October 2000 reports that an average of 6,000 persons per day were relocating to the greater Raleigh area. According to this census, the Triangle has one of the highest concentrations of Ph.D.’s per square mile in the world. The average income per household is $40,000-$60,000 and climbing.

According to the Raleigh News & Observer reports of Raleigh City Counsel meetings concerning growth, the continuing refurbishment of downtown Raleigh is a top priority, along with a complete overhaul of the mass transit system. New buses and taxis are funded and are to be implemented during the next two years. A Commuter Rail System run by the Triangle Transit Authority is supposed to be finalized May 1, 2001, and completed by 2007-2008, with rail stations throughout downtown, running up Hillsborough Street going to RDU Airport then connecting to Chapel Hill and Durham; later phases include branch rails to North Raleigh. The refurbishment plan continues, and downtown is now populated with more destinations than ever, with the plan growing even more businesses. The future looks very promising for a thriving downtown with a continual presence of customers.

Service Business Analysis

We are part of the retail health and beauty industry which has four major types:

* Salons: Stores with only hair styling services and products.
* Day Spas: Stores specializing in body health maintenance through a variety of services and products.
* Day Spa & Salon: Stores combining the services of the two aforementioned.
* Health & Beauty Products: Stores selling only merchandise products covering the wide range of products available but not inclusive of those sold by salons and spas.

Main Competitors

The main competitors are Salon 21 with a location in downtown Raleigh, Von Kekel with locations in East Cary and North Raleigh, Soigne’ with a location in mid North Raleigh, Emerald City with a location in Northwest Raleigh, Image with a location in far North Raleigh, Millennium 2000 with a location in North Raleigh, Devine with a location in mid North Raleigh, and Warren Scott with a location in far North Raleigh. Also, by nature of their popularity we must also include these spas as main competition: Skin Sense with locations in downtown Cary and far North Raleigh, and Iatria in far North Raleigh.

Strengths of the above are services offered: location proximity to major housing developments, and name recognition. The weaknesses of these competitors are general lack of promotion, concentration mainly in North Raleigh.

With our target location being downtown Raleigh, we will be servicing East, South, West, and Old Raleigh, as well as downtown commuters. There are no salon-spas in West Raleigh, the closest being Von Kekel in East Cary, and the spa only Skin Sense also in Cary. The only downtown competitor, Salon 21, is very small, not very well known, and concentrates most of their business on the salon end.

Our market advantage is wide open, and will give us the opportunity to service a large population base that is not currently being well served. When you include our service of energy works, we become the sole provider of all three services of hair works, body works, and energy works not only in downtown Raleigh, but for the entire greater Raleigh area.

Business Participants

Industry participants are those whose services include salon and spa offerings. Salon services concern hair styling, while spa services concern body relaxing and rejuvenating offerings such as massage, and nail and face works.

Competition and Buying Patterns

Customers choose spa and salon services based on proximity to their daily travels from home and work, reputation for quality, and good pricing. With our combined services, we expect to compete mainly against other combination spa-salons.