Salon Business Project Winter 2014
Instructor: P. Glover

Due date February 5

NO LATE PROJECTS WILL BE ACCEPTED

The budget for the start up of your salon is $250,000. You must select the city within California to locate your salon. This is a research project. No, you do not have to actually apply for permits, etc. Just have the appropriate forms. Use your resources, the internet, beauty supplies, hair shows and friends. In order to be successful in this project you must apply your imagination, good judgments, business skills and common sense.

1. **Business Plan**: yes no
   - Type of Business (Day Spa, Nail Salon, Hair Salon, etc.)

2. **Management Summary**: yes no
   - Type of Ownership
   - Responsibilities (who does what if there is more than one owner)
   - Resume(s)
   - Marketing strategy: Advertisement: How will you advertise your salon (Internet, Radio, TV, skywriting…?)
   - Attorney: Partnership agreement (if any), review the lease Major objectives
   - Name: fictitious name search – DBA

3. **Location and Facilities**: yes no
   - Print out of the property
     - Description of location
     - Lease or buy
     - Price (How is it priced)

4. **Competitive Comparison**: yes no
   - Services menus form 1 salon in the area where your salon will be

5. **Salon Services**: yes no
   - Salon Menu / A menu of services with prices for your salon

6. **Personnel Plan**: yes no
   - Hiring and interviewing
   - Type of employer

7. **Legal requirements:**
   - Permits yes no
   - State Board requirements yes no
   - Licenses (State? City? County?) yes no
   - Insurances: yes no
     - Mal practice
     - Building

8. **Demographics**: yes no

9. **Salon floor plan/ interior layout and design**: yes no
    - You need 120 – 150 sq. ft. per operator
10. **Cost of improvement / do you have**  
   circle trades used  
   
   **AC**  
   **Alarm system/ Camera**  
   **Table**  
   **Chairs**  
   **Coffee pot**  
   **Computer**  
   **Credit card machine**  
   **Dryers**  
   **Fire Extinguisher**  
   **Floor**  
   **Lighting fixtures**  
   **Magazines**  
   **Manicuring / Pedi area**  
   **Mats**  
   **Mirrors**  
   **Phone / patron phone**  
   **Shampoo area**  
   **Sink**  
   **Stereo**  
   **Storage**  
   **Towels**  
   **Washer / Dryer**  
   **Water system**  
   **Workstations**  
   **Products**  

11. **Work Page – Expenses for the salon**  
   yes  
   no  
   Start up is the total cost of all of the things that you must purchase or pay for.  
   Operating cost: is what you must pay for on a regular basis or the cost of doing  
   business. Examples:  
   Trash, water, electricity, gas, lease, salaries  
   Loan monthly pay back, Loan pay back plan  
   Marketing, Accountant, Insurance  
   Anything that you bought or had done to or for the business  

12. **Break Even analysis:**  
   - 5 Year plan  yes  
       no  
   - How much does each station need to earn in order for the business to  
     break even?  yes  
     no  
   - How many years will it take to break even?  yes  
     no  

13. **Evaluation**  
   yes  
   no  
   Will this business be successful? Why/why not