

Individual Business Activity and Assessment

Student ID: 2234615

Student name: Samariteanca Alina Drosu

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Task 1

Business Plan: Glamour Beauty Salon

1. Product/Service Proposition

The services to be offered at Glamour Beauty Salon are haircut, coloring and styling, manicure/pedicure, facials, massages and makeup. The essential key selling point of the business is that all its products are environmentally friendly, of natural origin and associate its services with pampering the customer in a comfortable and opulent ambiance.

2. Name and Ownership

Name: Glamour Beauty Salon

Type of Ownership: Partnership

Rationale: Partnership model places the effort and the resources into better complementing each other since some responsibilities can be shared (Austin, 2010). One partner deal with hair and beauty treatments while the other has managerial experience in business. Making this a combination would reduce overspending on the creative aspects of a business while maintaining a satisfactory level of organizational productivity (Korchak, 2024).

Pros:

- Shared financial burden and risk (American express, 2024).
- Diverse skill sets and expertise (Leonard, 2024).
- Increased capital for startup (Indeed, 2024).

Cons:

- Potential for conflicts (Tas.gov.au, 2024).
- Shared profits (Geeksforgeeks, 2024).

3. The mission statement, aims, and objectives

Mission Statement: To provide client focused beauty solutions that are exclusive, safe and sustainable in a tranquil environment for the AIM of beautifying its clients and boosting up them self-esteem.

Aims:

- The vision of the beauty salon should be to be the number one in the local region within a span of two years.
- To establish a stable market of loyal consumers due to the constant quality of the services being offered.

Objectives:

- Set the customer satisfaction rate to 95% within the first year the company is in operation.
- Achieve a gross profit margin of not less than 25% within the second year hence a net profit margin of 20%.
- Add more described services to offer mobile beauty treatments within the next three years.

4. Physical Requirements

Location: The salon will be in a business district to attract more traffic, hence more customers. The specific type of facility, which will be rented, will be a 1500 square foot space that will have an area for reception of customers, hair styling, individual rooms for beauty treatments, and a relaxation area.

Equipment Required:

- Barber's chairs/stools and washbowls
- Manicure and pedicure stations
- Facial and massage beds
- Sterilisation units for tools

- Summarised by smooth hair care and eco-friendly foods as well as professional hair care and beauty products.

- Point of Sale (POS) system (Amazon, 2024).

5. Human Resources

Staffing Plan:

- 3 hair stylists

- There should be a provision of 2 beauticians because facials, makeup, and other beauty treatments are also services offered.

- 2 nail technicians

- 1 massage therapist

- 1 receptionist

- 1 cleaner

Sourcing:

The business will obtain these employees by posting an advertisement on the internet recruiting agencies and local beauty colleges and spoke personnel in the beauty industry. There will also be training sessions so that the staff is rejuvenated with the new trends in beauty and the latest techniques.

Job Roles:

- **Hair Stylists:** Assist the customers by giving haircuts, coloring and styling services

(Interviewdesk, 2024).

- **Beauticians:** Make up clients' faces or perform any other beauty treatments that a aesthetician does.

- **Nail Technicians:** Specialise in giving manicures, pedicures and nail enhancements (Interviewdesk, 2024).

- **Massage Therapist:** Offer multipurpose treatments using different techniques of massaging.

- **Receptionist:** Book appointments, respond to customers' inquiries, and sell.

- **Cleaner:** Ensure the salon is clean by washing the floor and tidying all the working equipment.

6. Marketing Activities

Branding: According to Wheeler (2017), building a good company image needs solid brand recognition in elements such as the logo, colours, and slogan. Hence the branding of the business will be a depiction of luxury, environmentally sensitive, client-oriented services.

Promotional Activities:

- **Social Media Marketing:** The company will leverage on the existing social media platforms most especially, Instagram, Facebook and Pinterest where one can publicise the services offered and post testimonies from the clients together with promotions.

- **Local Advertising:** Air programs on the local media such as newspapers, magazines, radio stations along with providing flyers and business cards in the residential areas and business establishments near the training area.

- **Partnerships:** For instance, the company will be involved in bridal shops and facilities that offer fitness services in providing various packaged services.

- **Loyalty Programs:** A loyalty scheme will be introduced to give a discount to the customers and give other related offers.

Examples:

- Have monthly promotions like 'Bridal Beauty Week' or 'Eco Friendly Beauty Month', for example.

- Promising current clients reduced prices if they will refer their friends to the firm.

7. Market Research

Findings: Effective research shows an increasing trend in the market for organic beauty products and services in the UK (Statista, 2024). Hence, the target market includes mainly women in the age group of 25 to 45-years old possessing a penchant for tailored, specialised beauty procedures.

Methods:

- **Surveys:** Carried out web-based questionnaires to get quantitative results concerning the customer desire and expectations.
- **Focus Groups:** Organized focus groups to deliberate on service concepts/ideas and get information about its business idea.
- **Competitor Analysis:** Compared it with local competitors to isolate areas in which competitors are weak and SABMiller could possibly locate opportunities to set itself apart.

Application:

Given these sources, the company shall focus on the use of green products and tailor-made services as the key marketing messages.

8. Financial Resources

Loan amount: 20,000															
Interest rate: 8%															
Loan term (months): 36															
Monthly repayment: 6626.73															
Select your starting month:		June													
		MONTHS													
Cash in-flows	Description (as required)	Starting point	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL
total anticipated sales		€3,000	€3,120	€3,360	€3,379	€3,510	€3,653	€3,510	€3,700	€4,000	€4,153	€4,449	€4,788	€4,500	€49,082
value of your Start Up Loan		€20,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	€20,000
other sources of cash or equity		€25,000	€4,820	€4,321	€4,372	€4,428	€4,219	€4,599	€4,628	€4,728	€4,800	€4,912	€5,000	€4,976	€80,003
existing assets for business purposes		€0	€1,827	€1,840	€1,738	€1,923	€1,973	€2,028	€2,210	€2,318	€2,456	€2,603	€2,558	€2,551	€28,912
Total cash in-flows (A)		€48,000	€9,967	€9,571	€9,489	€9,861	€9,825	€10,137	€10,538	€11,046	€11,369	€11,824	€12,343	€12,027	€175,017
		MONTHS													
Cash out-flows	Description (as required)	Starting point	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL
total anticipated cost of sales		€2,000	€2,100	€2,278	€2,334	€2,444	€2,558	€2,666	€2,900	€3,000	€3,100	€3,339	€3,400	€3,512	€37,631
existing assets for business purposes		€0	€1,200	€1,384	€1,323	€1,347	€1,522	€1,423	€1,449	€1,492	€1,588	€1,663	€1,639	€1,722	€17,752
rent or premises costs		€0	€146	€146	€146	€146	€146	€146	€146	€146	€146	€146	€146	€146	€1,752
business rates for your business		€0	€0	€0	€2,000	€0	€0	€2,000	€0	€0	€2,000	€0	€0	€2,000	€8,000
utilities (gas, electricity, water)		€0	€200	€200	€200	€200	€200	€200	€200	€200	€200	€200	€200	€200	€2,400
insurance		€0	€0	€0	€0	€0	€0	€1,826	€2,000	€2,000	€0	€0	€0	€0	€1,826
computers and internet		€0	€2,000	€2,000	€2,000	€2,000	€2,000	€2,000	€2,000	€2,000	€2,000	€2,000	€2,000	€2,000	€24,000
marketing and advertising expenses		€0	€0	€0	€13,200	€13,200	€0	€0	€0	€0	€0	€0	€0	€0	€26,400
vehicle running costs		€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
equipment purchase or leasing		€0	€17,222	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€17,222
posting, printing, stationery		€0	€100	€100	€100	€100	€100	€100	€100	€100	€100	€100	€100	€100	€1,200
transport and delivery		€0	€400	€400	€400	€400	€400	€400	€400	€400	€400	€400	€400	€400	€4,800
professional fees (legal, accounting etc.)		€0	€160	€160	€160	€160	€160	€160	€160	€160	€160	€160	€160	€160	€1,920
owner salary (if PSB is in deficit)*		n/a	€500	€500	€500	€500	€500	€500	€500	€500	€500	€500	€500	€500	€6,000
owner salary (over and above your PSB needs)*		n/a	€1,000	€1,000	€1,000	€1,000	€1,000	€1,000	€1,000	€1,000	€1,000	€1,000	€1,000	€1,000	€12,000
staff costs		€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Start Up Loan monthly repayment - First Loan		n/a	€627	€627	€627	€627	€627	€627	€627	€627	€627	€627	€627	€627	€7,521
Total cash out-flows (B)		€2,000	€25,655	€8,795	€13,990	€22,124	€9,313	€13,048	€9,482	€9,825	€11,821	€10,135	€10,172	€12,347	€108,424
Souler net cash flow (A-B)		€46,000	-€16,688	€776	-€14,501	-€12,263	€612	-€2,911	€1,056	€1,421	-€432	€1,689	€2,171	-€340	€6,593
Souler monthly opening business bank account balance		€55,000	€84,000	€45,752	€68,720	€70,000	€89,874	€45,633	€67,246	€59,872	€63,000	€65,478	€65,439	€78,546	€838,560
Your closing cash position		€101,000	€67,312	€48,528	€54,219	€67,737	€70,486	€42,722	€68,302	€62,393	€62,568	€67,167	€67,610	€78,206	€845,153

(Source: Self-created)

This chart has shown that the monthly opening business bank account balance is 55000 euros in the starting point. Whereas it improves in the 1st month to 84000 euros and decreases to 45752 euros in the 2nd month. Thus, on the 12th month, it is 78546 euros, which is higher than the starting point. The total was 838560 euros. Then the closing cash position of the business is seen to be 101000 in the starting point. This decreased to 67312 euros in the 1st month. It is 78206 in the 12th month which, in comparison with the starting point, is lower. The total is 845153 euros.

9. Biggest Threat

Threat: The most significant external condition that may hinder the implementation of the stated business plan is the strong competition that is predominant in the beauty industry and hence may make it hard for the business to attract the necessary clientele base to its operations (Voucherify,2024).

Proposed Solution:

● To adapt to the competition, there is a need to align on its unique selling point on environmental-friendly solutions, and customer individuality (Hbr, 2019).

- It is effective to incorporate customer feedback to its strategies and practices improving the services and customer preferences.
- To speak about organisational capital, it is recommended to strengthen staff's training to guarantee high service quality and meet the customers' needs (Fastercapital, 2024).
- It is essential to pursue the market and ensure that the company's products meet the expectations of customers in the current world market.

Task 2

Individual Reflection on Developing Glamour Beauty Salon

It has been commendable working on the business proposition of Glamour Beauty Salon, and this has also been an exciting moment. Originally, the aim arose out of personal interest in the beauty industry and the lack of such a salon that would provide services that are environmentally friendly as well as those that can be customized according to the client's preference. The ideas of offering premium quality and organic beauty services also appealed to me a lot, and I assumed that the clients' demand for such services was shifting.

Research Process

Market research was a very important part of this process. Thus, I used both inside and outside research tools such as online questionnaires, focus groups, competitors' activities analysis to get the most splendid results comprehensively reflecting customers' preferences and the tendencies appearing in the sphere. The surveys offered quantitative findings on consumers' preferences focusing on the interest they have in environmentally sustainable beauty products. Primary data was gathered from the focus group which provided qualitative data that indicated the customer's expectations for more personalised and luxurious service experiences. Thus, studying local rivals also revealed market loopholes, for instance, the absence of competitors that provide organic treatments, proving the feasibility of my concept. On my business plan, the research findings posed a major transformation. For instance, strongly identifying the customer's

inclination towards environment-friendly products forced me to use only organic beauty supplies. Moreover, comments of the focus groups helped to develop the principles of its client care system, with reference to individual consultations and various treatments.

Entrepreneurial Skills

Reflecting on this process, I was able to identify and apply several skills characteristic to an entrepreneur. The mode of establishing the unique selling proposition of Glamour Beauty Salon largely entailed creativity. Designing the business model as an integration of luxury and sustainability was not easy as it demanded creativity and the ability to meet consumers' demands. Critical thinking was important whenever it was needed; for instance, when finding resources for green products and an appropriate site to locate the business. Every constraint called for evaluation and the formulation of plans that would make the salon feasible and successful. Throughout this process decision-making and critical thinking were engaged consistently. Comparing various models of ownership of the business, choosing the right marketing techniques, and finally, projecting how the business will be financed required quick and wise decisions. Perception and sound judgement of the news and information was critical. Flexibility was also a prominent factor that could not be overlooked. The complex nature of the beauty industry became more evident to me as I had to be and remain agile to adapt to new trends in the beauty market overall as well as the customers. This mostly kept the business plans active and in a competitive position in the market.

Conclusion

Reflecting on this experience, I am proud of the entrepreneurial skills I have developed. The process of creating Glamour Beauty Salon has honed my creativity, problem-solving, decision-making, critical thinking, and adaptability. These skills have not only shaped my business proposition but also prepared me for future entrepreneurial endeavours. The journey has been a valuable learning experience, reinforcing my passion for the beauty industry and my commitment to creating a sustainable, customer-focused business.

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