

Skills for the Workplace

Module Assignment Submission

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Module No:	BMSK40012
Module Title:	Business Plan

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Lucy Paton

Lucy's Lashes

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Executive Summary

The purpose of this business plan is to cover every detail of how my business will work. I will be trading from Lucy's lashes from January 10th 2023. I am looking to eventually open my own training school for most beauty treatments. I'd also like to sell my own brand of lashes and possibly other products. My target clients can come from all walks of life ,with all different age interests. This is a versatile industry that has over the years become very popular . I am looking to make a decent amount of profit in my first year alone. figures are further down .. I will promote my business mostly through facebook , instagram and other social media networking sites . By doing this I will run raffles and offers for new and existing clients. I will put out leaflets in local shops. I will build connections with other beauty specialists and work with other lash techs to grow my business and following . I'll keep up to date with all necessary training and qualifications . I'll be sure to keep up to date with research and competition .

Business/Industry Overview

I started my Lash business in January 2022. I took out a business loan for £5000 to be able to pay rent up front and to make sure I had enough stock to get me up and running. My business is a beauty salon which would come under the beauty sector which is a massively profitable industry to be in, providing you have good skills in what you have to offer. I have taken over the lease of the building I am working in from the previous tenant who built up a very well established make up studio although they also offered the same beauty treatments that I do on the side for extra income.

I am not the owner of the building however in my lease it states that all interior cosmetic work and maintenance is to be carried out by myself but building and structural work will be covered by the landlord. This in my eyes is a stepping stone for me as my vision for the future is to eventually have a salon where I have employees offering all beauty services under one roof. At the moment I offer eyelash extensions/lash lifts , facial waxing and eyebrow waxing and tinting . I feel what differentiates my lash business from others is firstly my experience . I trained as a lash artist in 2014 when they were few and far between. Now it's a massive industry with a potential of a high profit. I also know I've got a very professional manner about me as I've had a lot of feedback over the years . I am aiming by the end of the year to have gone to courses that offer advanced techniques in lashing and other treatments to give me an advantage over other competitors in the industry .

Market Analysis and Competition

The beauty industry contributed a total of £28.4 billion to the UK economy last year. According to the data, there were 1,225 new high street locations that opened up as beauty stores and salons.

Lash extensions are quickly becoming a popular choice for people looking for an eye makeover. Cosmetic-Business.com reports that the number of professional eyelash services grew by 14% in 2017. They predict that the eyelash care market will continue to experience this steady growth.

According to a 2017 report, two thirds of hair and beauty salons had an annual turnover of more than £99,000. The highest proportion of salons had a turnover of £50,000 to £99,000, while 27% managed to take between £100,000 and 249,000.

I did my research into who my targeted audience was going to mainly be and I found that it didn't have an age or any other factor that I needed to be targeting when promoting . Since opening I've realised that a client who wants any beauty treatment I offer was aged anywhere between 16-83 which shows there is a massive client base out there that is only going to grow.

The beauty industry is always going to grow, yet fashion does play a big part in what a targeted audience would want , therefore I will have to keep up to date on training and different techniques and styles of services offered.

political P	economic E	social S	technological T
● increase of tax ● funding ● restrictions	● inflation ● government spending ● increasing cost of cosmetic products	● fashion changes ● age distribution ● lifestyle factors	● changes in information ● product manufacturing changes ● inflation on necessary tools

Sales and Marketing Plan

The size of the beauty industry is massive no matter what service you are offering. The research i've done shows a steady increase year by year of the beauty industry, looking at different salons statistics (2018 -2021)i found that so long as your keeping up date with training in the current trends and fashions and your reputation grows as a salon there is an increase in profit year by year.

My targeted audience has a wide age range from 16-83 , i know this as i have put out posts on social media asking for feedback on all treatments i offer also i have personally had clients in this age range. I feel when it comes to beauty treatments there are no real age restrictions other than being the minimum legal age required by insurance companies to carry out treatments.

Before opening and deciding on pricing I made enquiries and attended different treatments with salons within a 20 mile radius of me to look at how vastly pricing and techniques differed . I found that there was not a massive difference in either and have priced myself slightly towards the higher end of the market as I feel my experience and work manner allows . Social media is the main channel of marketing. Getting clients to leave a review is something I have found very good for business.

I have taken a close look at other beauty businesses around me that could be direct competition for me and my business. When doing my research I have found that there is a very small number of therapists that have been offering the same treatment that I specialise in . Most offer a range of treatments where I only offer eyelash extensions so my experience is something that I want to make people aware of and touch up on so they know that I am an experienced therapist .

Operations

The location of my premises is located 3 miles from the city centre which gives and 3 miles from the M4 with free off road parking which gives me a huge advantage. If visiting a salon based in the city centre in most cases you would have to park in a car park which can incur expensive car park charges , then you would have to walk to the salon wherever it is based . In my own experience as a customer this is something that has put me off visiting such salons which makes me feel that I have an advantage over this where i am based. As previously said I have taken over the lease for this property for the next 3 years , the building is shared with a hairdresser on another floor . I am hoping that in the next 3 years the business grows. If the landlord renews my lease I am going to look into making my own brand of lashes and associated products . I would have to visit different manufacturers who produce said products to look at the quality of things but that is definitely an avenue I want to go down in the future

. For this I would need an investment which I will have to calculate closer to the time once I know the growth of my business and how much I will be able to afford to pay back and over how long .

Financial Plan

At the start of year i invested £5000 into this business for stock and also put it towards decorating the salon as i wanted it to have a professional feel when clients came through the door .I have now been trading for 6 months and looking back at my figures i can see a steady increase of profit shown in the table below

	income	outgoings	profit
January	1750	477	1273
February	2010	605	1405
March	2355	514.62	1840.38
April	2470	569.56	1900.44
May	2700	399.35	2300.65
June	2890	536.55	2353.45

The loan I took out will be paid back by December this year. I will be looking to take out a business loan of £10,000 so I can get my teaching qualification to be able to build a bigger business to be able to take on employees and expand. I also want to rent out space in the salon to other beauty professionals on a self-employed basis which will cover rent which in turn will see my profit increase due to not having to pay this myself.

I have taken a look at my financial forecast and filled out a cash flow example as to what I expect my next 12 months figures to look like which is included below

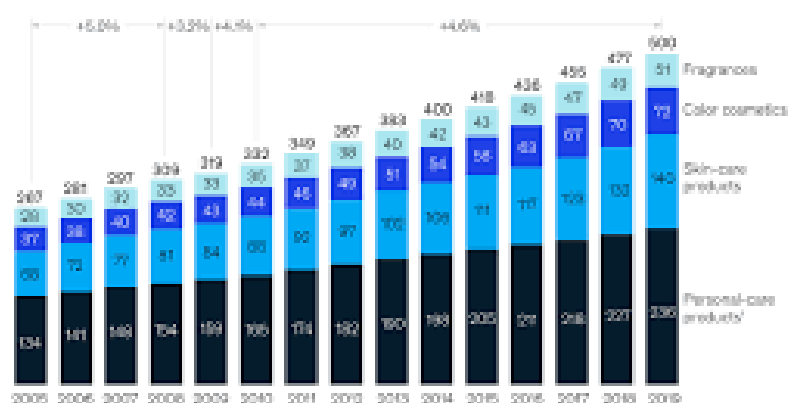
Example Ltd Monthly cashflow projection														
	Pre-startup	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	TOTAL
1. CASH IN THE BANK														
(Beginning of month)	5,000	5,000	6,988	8,976	10,964	12,952	14,940	16,928	18,916	20,904	22,892	24,880	26,868	
2. INCOME														
(a) Cash sales	0	2,988	2,988	2,988	2,988	2,988	2,988	2,988	2,988	2,988	2,988	2,988	2,988	35,856
(b) Collections from credit accounts	0	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) Loan or other cash injection														-
3. TOTAL INCOME		2,988	2,988	2,988	2,988	2,988	2,988	2,988	2,988	2,988	2,988	2,988	2,988	35,856
4. TOTAL AVAILABLE	5,000	7,988	9,976	11,964	13,952	15,940	17,928	19,916	21,904	23,892	25,880	27,868	29,856	

5. OUTGOINGS														
(a) Purchases (equipment)		400	150	150	150	400	400	400	150	400	400	400	400	-
Mobile phone		35	35	35	35	35	35	35	35	35	35	35	35	-
Public liability insurance		99												-
Accident book		5												-
rent		340	340	340	340	340	340	340	340	340	340	340	340	-
Accountant					150									-
														-
														-
														-
														-
														-
(r) Subtotal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(s) Loan principal payment														-
(t) Capital purchases (specify)														-
(u) Other start-up costs														-
(v) Reserve / Savings														-
(w) Owner's withdrawal		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
6. TOTAL PAID OUT	-	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
7. FINAL BALANCE														
(End of month) [4 minus 6]	5,000	6,988	8,976	10,964	12,952	14,940	16,928	18,916	20,904	22,892	24,880	26,868	28,856	

Appendices

The global beauty-industry market has been consistently resilient.

Global beauty-industry retail sales, \$ billion



Note: Figures may not sum to total totals, because of rounding.
Includes hair-care, men's shaving, nail-care, shoes, and other personal-care products & accessories, and fragrances.
Source: Euromonitor

McKinsey
& Company

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