

Module: Enterprise and Entrepreneurship (LCLM4006)

GreenGlow Beauty Ltd:

A Business Plan for a Sustainable Beauty Salon

Individual Written Business Plan

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Executive Summary

The proposed boutique beauty salon, GreenGlow Beauty Ltd, is in the process of making a move to actual “zero-waste” thinking, with the use of refill-able product dispensers, a closed loop container recycling software and completely ethical & cruelty-free suppliers. Data in the UK indicates that consumer brand loyalty is growing and that consumers between the ages of 18 and 45 who are become increasingly burning a desire for sustainability are sensitive to the price.

The business will be trading as a private limited company with a small, flat management team with an additional small co-ordinator specifically tasked with the work of Sustainability and Retail. Market research and a PESTEL analysis reveals a balkanized cost-sensitive, but stable, sector with the majority of sustainability effort dedicated more to products already available for sale in the market than on the service that can be offered on the salon floor, the niche GreenGlow will target.

Instead of paid mass advertising, the following marketing channels and content will be used: low-cost and high trust marketing channels, social video content, a loyalty program with the return of containers to be refilled, local partnerships and third-party sustainability certification. A Start-Up cost, provided by the Government funded StartUp Loans scheme, is £21,000 and will be shown in the Financials section, in the month its spent £20,500.

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Overview of the Business Idea

It will be a boutique beauty salon: Will offer skin care, hairdressing services, animal friendly and certified organic beauty products, as well as waxing classes and manicure and pedicure services (Soliman, 2025). Retail and back bar products will be dispensed from in-salon refill stations where technically impossible without impact on the current packaging regulations that are in place in the UK. A closed-loop recycling scheme will accept re-use of empty containers and foils and hair clippings will be processed through the scheme by certified third-parties for materials that can't be picked up at the kerbside. This is a sector that is responsive to the apparent structural adjustment, as conventional products account for 78.95% of the market while at the same time witnessing a growth rate of 6.82% CAGR until 2026 (Mordor Intelligence, 2026), the fastest of all the categories.

The industry will have a low overhead model of management, being less than 5 people for the majority of businesses in the hair and beauty sector (NHBF, 2024) managers will be managed sectorially. Recycling of materials, compliance with packaging regulations and auditing of providers will be managed by a new part-time role, Sustainability and Retail Coordinator, rather than sustainability being an afterthought when it comes to marketing. Two senior therapist-stylists will be working on the

treatments, while the Salon Manager will be responsible for daily bookings and staffing, and a new part-time role, Sustainability and Retail Coordinator, will be tasked with running the recycling scheme, complying with the packaging regulations and auditing providers to ensure correct procedures and tracking will be followed, thereby making sure that sustainability isn't an afterthought when making business decisions.

GreenGlow Beauty Ltd will be registered as a private Ltd company with companies house. Limited status provides protection of business and personal liabilities, has proven to be a key consideration in lease and equipment or farm equipment and stock programs, and gives credibility to lenders and moral support from ethical suppliers going more favour to formal governed businesses over the sole trader.

As the below market information illustrates, the key target market, Gen Y, 18 to 45, are ready and keen on putting their sustainability preference into practice, not just words. This will include organic colour and cutting, facial and skin care using reuseable lines of products as skin care and facial products completely dispense with one-use products and nail care and waxing using natural wax products instead of strips and files (Groves, 2022).

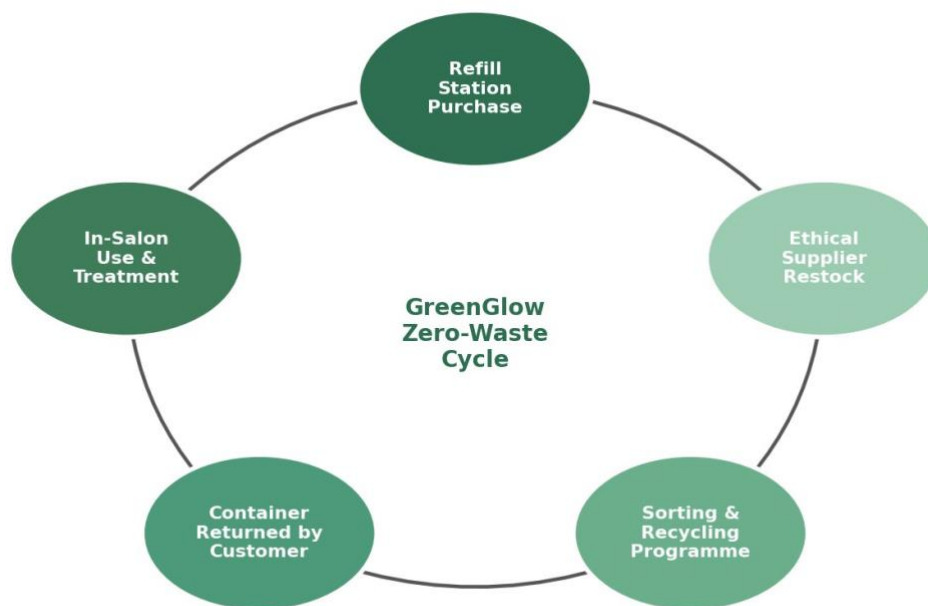


Figure 1: GreenGlow's zero-waste, closed-loop service model

Market Research

The United Kingdom (UK) hairdressing and beauty treatment sector is big yet contains a vulnerable value chain (Kokong and Naidoo, 2022). This consists of over 51,000 businesses with a total turnover estimated at £5.8 billion, but with close to 64% of the businesses having turnover of under £99,000, and only 46% reporting profit in the latest NHBF survey, in addition to the 15% estimated contraction in sector profits as a result of the National Living Wage rise in April 2025 (NHBF, 2024; Whito, 2026).

Google is the competition that GreenGlow has to face.

PESTEL Analysis

Table 1: PESTEL analysis

Factor	Key Development	Implication for GreenGlow
Political	Packaging EPR base fees will increase in 2025 while packaging pricing will be	Financial incentives for some forms of multiple use
	based on recyclability from 2026-27 (SMITH, 2025).	or return system for single use packaging.
Economic	In April 2025, National Living Wage increased by 5.8% while NHBF is projecting a 15% decrease in the profit of the sector (Whito, 2026).	Facing margin pressure across the board, premium eco-positioning can be compensated for through price resilience.
Social	68% think ingredients are “clean/natural” the most important factor, 78% of consumers take sustainability into account when purchasing and 71% of consumers' purchasing is driven by social media (Mordor Intelligence, 2026).	Social media is an important channel since it is in alignment with their target audience of 18-45.
Technological	In the UK, 45% of beauty sales were made through the app and the rest via online. In the UK, 45% of beauty sales was made via app and the remaining 55% was made online.	In fact, use of the book app and digital receipt becomes a very encouraged and almost required use.

Environmental	Detailing the positive impacts of EPR and plastic packaging tax, both strive to rid the environment of packaging waste for reduced cost. Both EPR and Plastic Packaging Tax aim for 'closing the loop' on packaging waste, aiming to minimise environmental impact and costs (Tax Adviser Magazine, 2025).	First mover services for new idea on how to realise a zero-waste economy. Describe the need of 'first Move' service and ZERO WASTE model.
Legal	The Cosmetic Product Safety Reports, the VAT thresholds and the new Cosmetic labelling by waste, recyclables from 2026 have been included. Both the Cosmetic Product Safety Reports and the thresholds for the VAT duty to label	There is a need to have a stand-alone Sustainability/Retail Coordinator to manage compliance workloads.
	cosmetics as recyclable have been added.	

The two taxing single use packaging schemes, the Packaging Extended Producer Responsibility scheme and the Plastic Packaging Tax have a significant effect on the packagers using the GreenGlow model as an important tool rather than on those who are competing with the GreenGlow model (SMITH, 2025; Tax Adviser Magazine, 2025). Salon profitability is top of mind with economic conditions in the UK leading to a tightening of margins across the board, and 40% of consumers willing to switch brands if they believed sustainable actions were being taken underpinned by more brands' results in sustainability measures and actions, something that the brand GreenGlow aims to catch.

Competitive Landscape

Competition is unclamped. As well as the classic high-street salons, there are also a number of product-driven eco-brands, such as Evolve Organic Beauty with multiple levels of certification up to Carbon Neutral Certification, and The Body Shop which became an all-vegan reformulated brand in 2024 (Mordor Intelligence, 2026). But most importantly and GreenGlow is playing in this area, sustainability commitments are now

geared towards product formulation in the retail end with few going into the service experience in the salon. Furthermore, the industry is replete with competition, with UK entrepreneurial entrants expected to increase from 47,600 estimated business unheard of in 2022, to over 51,000 in 2025 (Figure 2), underlining the need for a differentiated position within the industry as well as a purely price-based one (IBISWorld, 2025; Whito, 2026).

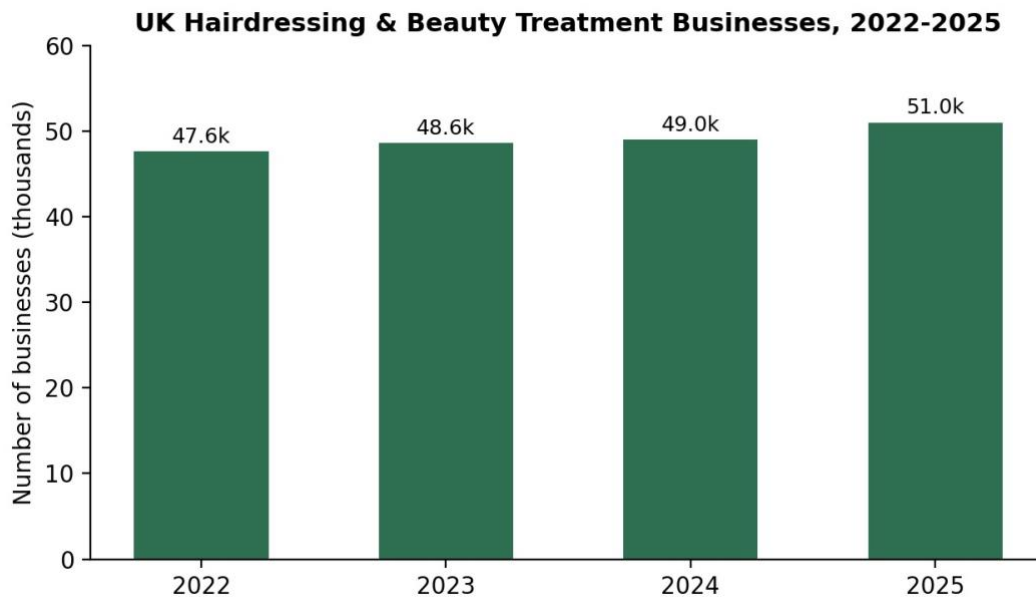


Figure 2: Growth of UK hairdressing and beauty treatment businesses, 2022-2025

Marketing Communications

Marketing communications will go to the channels which are less costly, more trusted and suitable for a micro-business funding, instead of paid mass channels of communication (Ethan, 2025). GreenGlow's brand-sealing effect is now to be seen on social media platforms like Instagram and TikTok, with 71% of consumers stating they had purchased a beauty product from social media in the UK. It will reveal refill stations, a process for consumers to return bottles, and the process suppliers uses to find green bottles as key brand differentiators. Rewarding people for the reuse of empty containers through a loyalty scheme will incentivize people for the reuse of the empty containers, and will bolster the use of the recycling scheme and bring in more bookings.

Local reach will be achieved through partnerships with environmental charities and zero waste markets which will address the target audience – 18 to 45 year olds who

are interested in the environment – without spending on media. GreenGlow will make a face to face appeal to scepticism, leaving the appeal of a self-declared sustainability claim at the back of the queue, instead GreenGlow will focus their messaging of brands that have been verified by a third party, such as B Corp or the Vegan Society (Mordor Intelligence, 2026).

An automated booking and retention system will be implemented including automated booking reminders, digital receipts which will add a 45% contribution of UK beauty spend that are already done digitally and a bookings app.

Financials

It may take GreenGlow about £21,000 to get the business off its ground, which includes fit-out, investment in initial stock and collating the working-capital buffer for the first quarter trading. A recommended source is the Government's Start Up Loan through the British Business Bank which offers loans of up to £25,000 per founder, with a fixed interest rate of 7.5% for a repayment term of 1 to 5 years, no arrangement fees or early repayment fees and 12 months' free mentoring - British Business Bank, 2025. This is significantly lower than the average SME bank loan rate (8%) and less competitive than equity investment where the entrepreneur can enter as a 100% owner without putting any capital into the business.

The business start-up cost has been estimated as £20,500 in Month 1 as following: Salon fit-out/Refurbishment (£5,500); Salon range of products, cruelty free & ecofriendly (£3,800); Point of sale/insurance/licences (£1,000); Wages in Month 1 (£2,200); Contingency funds (£800) (Rent/Lease, costs £4,200 in Month 1). This allocation is based on the realities in the industry and that cost of fit-out and stock is the greatest initial cash flow item in the industry, and the industry has little padding on the extra packaging requirements and wage costs that it had in its PESTEL analysis above.

Month 1 Start-up Expenses Breakdown (Total: £20,500)

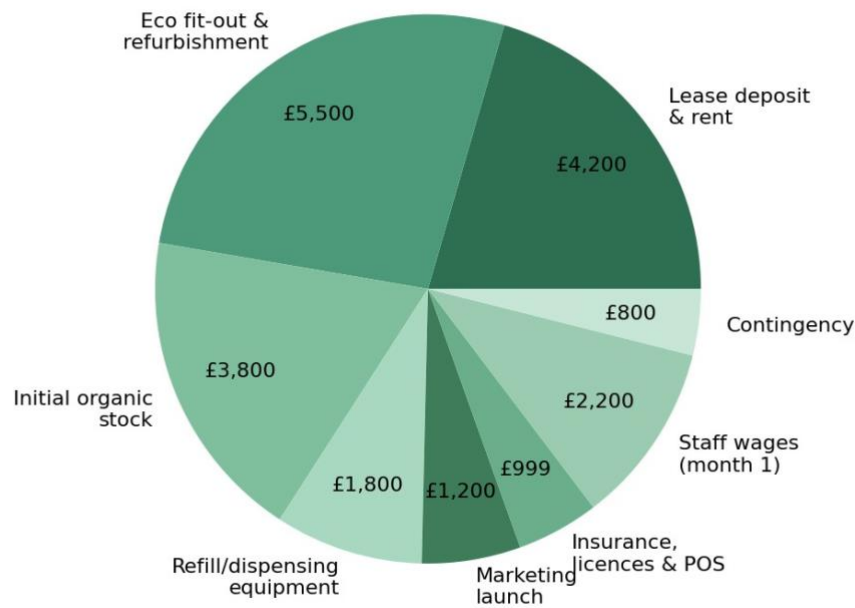


Figure 3: Proportional breakdown of month 1 start-up expenses

The remaining £500 of the loan will be neither redeemed as a 'month-one' spend nor deducted from a borrower's available cash for investment. The remaining £500 will be held back as working capital until there is a change in the amount of the recyclability-linked fee in the next scheme year from 2026-27, and the pEPR reporting requirement takes effect. The first quarter cash-flow forecast will assume five years of fixed repayments around £420 per month at 7.5% interest, as well as the first 12 months of complimentary mentoring to help the owner enhance his negotiation and pricing skills with suppliers during trading.

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Appendix

Table 2: Month 1 start-up expenditure breakdown

Expense Item	Amount (£)	% of Total
Lease deposit & first month's rent	4,200	20.5%
Eco-conscious fit-out & refurbishment	5,500	26.8%

Initial organic / cruelty-free stock	3,800	18.5%
Refill & dispensing equipment	1,800	8.8%
Launch marketing	1,200	5.9%
Insurance, licences & POS software	1,000	4.9%
Staff wages (month 1)	2,200	10.7%
Contingency reserve	800	3.9%
Total	20,500	100%