

Business plan

Prepared by: (Abdul Qayum 1818477), (Nipha Begum 1818766), Azizul Hoque and Shane Spencer

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Haircut Shop Business Plan

Prepared by: Abdul Qayum, Nipha Begum, Azizul Hoque and Shane Spencer

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Student 1: Nipha Begum

Executive summary

The Haircut Shop is a modern and new mobile service from home for customers with a busy schedule. This is for clients who are looking for a relaxing and time saving experience. We will be available in the Mile-end area but our main focus will be going to the client's chosen destination, not only will this make our business stand out amongst the other competitors but we will also be adding value to the community. Having grown up within the heart of East London, this gives us another huge advantage over this new startup business.

East London's hair grooming industry has been a longstanding reputation for both good and bad quality service. Nothing local stands out to be refined; which lacks in the quality of the service provided. This has led us to start a business that puts the customer and their needs first.

We believe appearance is an important aspect to a man's everyday life, whether it is a casual day out or to an important business meeting we will provide a high-quality service at a reasonable price without compromising on the excellence of work provided.

Our motto, which is "Customers are the shop" which means that the customers make us who we are as a business. It is our mission to ensure that the customer has the best experience possible so in return they can come back to revisit us.

Mission statement

We aim to provide a service in which the client's leave with an unforgettable experience like no other. Providing a professional and trustworthy service, where clients can come and escape their everyday lives and enjoy some relaxation.

Our central location and unique service of being mobile will be a huge advantage, making sure we stand out from all the other barbers within the area.

Purpose of business

The purpose of this business is to become an established community business who offer a service which exceeds the customers' expectations. The aim is to increase the number of returning clients and to build a new client base.

Business goals

Our goal is to create a thriving and successful business of which we are profitable from. Our aim is to attain knowledge and experience through which we will gain efficiency and a bigger clientele base.

Advantages of the business

- **Location:** Providing an ease of access mobile service. (Customer comes to us/we go to them).
- If clients would prefer to visit us, we are easily accessible with many links to public transport.
- **Environment:** Providing a wide range of professional services suited to the client's requirement within a comfortable environment.
- **Convenience:** Offering clients, the convenience of extended business hours.
- Appointment based system, so no queue waiting.
- **Reputation:** Reputation of the business as providing a efficient and professional service.

Description of business

The Hair Cut shop is a new modern shop/mobile business that offers a full barber shop luxury experience all within your own home without compromising on the quality.

The Hair Cut shop will be a mobile business but we will also have a shop located within the center of the Mile-end area.

The Hair Cut shop will offer a wide variety of barbering services to clients. The choice of services offered, will all be of high professional and extreme good quality. Light complimentary refreshments will also be offered on arrival.

The shop located within Mile-end will be based in a clean and spacious apartment room. The space will reflect a barber shop just without all commotion and waiting in line. It will be a relaxed and friendly atmosphere for which the client can sit back and relax.

The Hair Cut Shop will be unmatched by any of the local and surrounding competition which will draw in customers of all ages and social statuses.

Providing a high-class service with a reasonable price is essential as this is what will attract the clients. The Hair Cut Shop would be attracting customers who are looking to get a good deal to which we decided that a package deal would be ideal as clients would be willing to pay a little extra to get the full package rather than having to pay separately for each service.

Approach to pricing:

Haircut £15
Haircut and Shave £20
Facial £5
Facial Steaming £10
Package £30-£40

In this current market a haircut and beard trim on average ranges between £10-£25. The clients will receive a professional service at their door for almost, if not a cheaper price. Refreshments and a foot massage will be complimentary.

Products and services, we offer:

- **Hair:** Wash, cut and styling (Modern and traditional styling). Hair and scalp treatments.
- **Shaving:** Traditional razor shaves, facials, steaming and Egyptian hot towels and balm treatments
- **Branded organic products:** Organic Proactiv, Dr Organic and Face theory products.
- Light massages
- Blood circulation foot massage
- Complementary light refreshments
- A unique mobile service for clients

Opportunities and strengths

The timing to open a mobile barbering service within the heart of East-London is ideal right about now as there is no such service available as of yet. Most of the barbering shops surrounding East London are in high demand due to the high population within the area and the need to look well-groomed and stylish plays a big part of everyday life. Some shops are extremely run down and lack any character, as each one has queue's brimming out the door every day.

Based on research we have done for this area, we have established that when men tend to go get a haircut, they look for quality and affordability. The convenience of this leaves them in queues waiting for long periods of time. Most barbering shops within the area also have small units/shops in which they lack space and environment. They can fit a maximum two chairs meaning two clients at a time and leaving potential customers waiting possibly longer than one hour at a time. This however would not be the case for the Hair Cut Shop as there would be a booking system in place and it would not just be a 'walk in and walk out' type of service as they would have an allocated time which would have been pre-booked in advance and the place in which they can receive their very own personal consultation and decide on which services they require.

Our clients will be emailed a confirmation of their appointment two days prior to the appointment as a reminder, in addition they will also receive a thank you email after their session has been finished.

Critical risks and problems

There are many barbering shops surrounding the area of which we will be working from but there are no direct competitors as we are the first to start a mobile barbering service. This may inevitably sound like an easy start up business but there are more ways than one in which we may occur problems or risks, this is why we conducted a SWOT analysis to see what our strengths, opportunities, weaknesses and threats are.

SWOT Analysis

Strengths • Mobile service (Within the client's home or at the shop) • Location • Range of services offered • Inclusive package deals	Weaknesses • Already established barbers • Not a chain or branded name • Public transport could change schedules
Current/Future Opportunities • Prospect of new business start-up • Need for quality and convenient haircuts for men • Multiple services provided • Shop opening • Work vehicle	Current or future threats • Small existing customer base • No financial backing • Not the cheapest prices

Marketing Strategy

The Haircut Shop's main customer focus will be on the professional male. Age range will be 12 years+. There are many professional businesses and customers who are all located within the 5mile radius. We will ensure we stand out amongst all our competitors by offering exceptional customer service and a quality service which will exceed the customer's expectations. Our competitive edge amongst all the other barber shops will be our unique mobile service and our capability to travel out to our clients to where they would prefer or if they wish they would be able to visit our shop.

Our marketing strategy is what will help us grow our business:

- **Social media famous influencers:** Influencers can give our business the opportunity to attract direct potential clients as the number of the public following these influencers will be in big numbers

- **Advertising on social media via Instagram, Facebook and Twitter:** This will enable us to promote and showcase our business whilst receiving feedback from the public directly.
- **Referrals:** Potential customers can see the work done first-hand on other people in which they'll receive a discount
- **Services:** The range of services we have to offer
- **Offers:** Offering bundle packages
- **Convenience:** of good location/transport links
- **Discounts:** Offering discounted services to local businesses
- **Trust:** Building relationships with the local community and businesses

Within the past few years social media has expanded and become an extremely big platform for socializing, communicating and also for advertising, which for us will help elevate our business and attract possible clients.

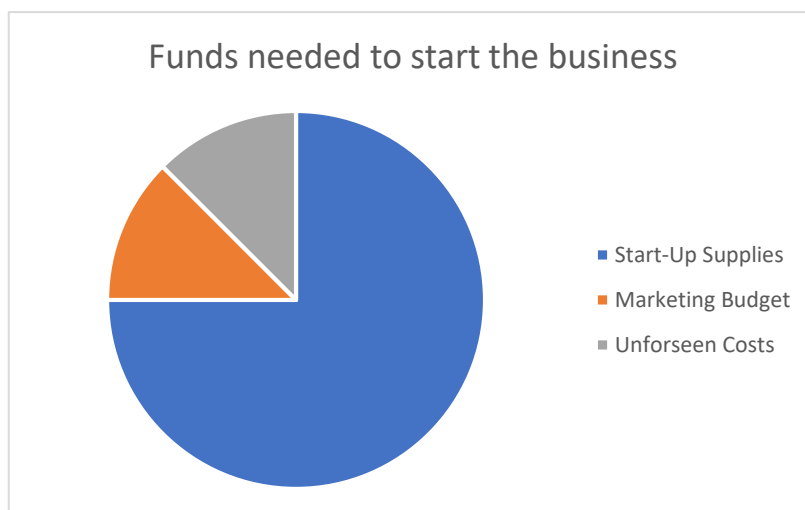
Management summary

The management team at the Hair Cut Shop will consist of the owner, who will be conducting all the barbering services to clients, shop manager and an assistant manager. We will hire more staff if deemed necessary and will only hire those who show interest and demonstrate that they are willing to expand their knowledge in the barbering industry.

Financial

Short term our objectives are to maintain a good reputation in order to build a regular client base to which our business will expand. We aim to hire at least one or two people as the business starts to build up and grow. In the future, within the next three years we aim to have a retail unit in the form of a mainstream shop.

Below we have listed the costs to start up our business.



Start-up Fund	Costs
Start-Up Supplies	£1500
Marketing Budget	£250
Unforeseen Costs	£250
Total	£2000

Student two - Abdul Qayum

Introduction

I will be writing about the future finances of the Haircut Shop's business. My aim is to show the potential growth of how we will be developing over the next 12 months, the cost affects we will incur and how I see the business turn from an interest at home into a professional business entity.

Funding

The funding of £2000 was prearranged by myself as I had some savings. This is going to be used to purchase all the necessary equipment's required for the haircutting business. I will have an additional £1000 for any unanticipated circumstances should it arise.

Due to the business being the platform where customer's will be pre booking and at their own premises of choice there is no traditional shop front, although there will be the option to travel to a premise which I have acquired free off charge. Therefore, the cost for everything is down to the minimum of £0 and the business will not be owing any money.

Revenue

The realistic revenue shown below in the forecast spreadsheet is for the 12 months commencing from January 2020. This is after all expenses occurred and is as close as possible to the target financial plan. The aim was to develop a way in which it is both consumer friendly and very cost effective to the business.

Costs

The cost effecting the business the most will be the Public liability Insurance and the charge of the accountant, I will be also adding a mobile phone line based on a 12-month contract. I have no underlying debt or money owed, the equipment was the only additional cost. Travel cost has been kept to a minimum as when going to customer destination's i will be using public transport.

As this business is quite self-sufficient, I have managed to maintain the cost to almost £0. The investment that was put in has already started to accumulate some money back as it is going through a small practice month and even though it was advertised as a free service people enjoyed the product and service but have also left generous tips.

			MONTHS												TOTAL
Cash in-flows	Description (as required)	Starting point	1	2	3	4	5	6	7	8	9	10	11	12	
Anticipated sales		€300	€390	€550	€700	€780	€820	€850	€850	€900	€910	€910	€1,000	€1,050	€10,010
Value of your Start Up Loan		€0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	€0
Other sources of cash or equity		€1,000	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€1,000
Existing assets for business purposes		€500	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€500
Enter other		€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Enter other		€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Enter other		€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Enter other		€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Total cash in-flows (A)		€1,800	€390	€550	€700	€780	€820	€850	€850	€900	€910	€910	€1,000	€1,050	€11,510

Advertisement

I have chosen the route of advertising on most social media platforms as this has been researched to be the most used form of both promoting and purchasing. I have some close family who have in excess of 50K followers on platforms such as Instagram, Facebook and twitter who are willing to promote the Hair cutting shop business for free which will be saving me in the region of about £2000 for as long as I need to.

I will also be creating a digital business card which will be available to scan for free via these platforms and others. This will enable users or curious potential customers to see all the required info in a split second. This will be done by a long-time friend working in this field at no cost to the business.

Cash out-flow

Below I have attached a table of cash out-flow chart to demonstrate where it is costing the most and how it will be affecting in the first 12 months of the business operating.

		MONTHS													
Cash out-flows		Starting point	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL
Cost of sales		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Existing assets for business purposes		£900	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£900
Rent or premises costs		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Business rates for your business premises		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Utilities (gas, electricity, water)		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Insurance		£120	£120	£120	£120	£120	£120	£120	£120	£120	£120	£120	£120	£120	£1,560
Telephone and internet		£35	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£35
Marketing and advertising expenses		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Vehicle running costs		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Equipment purchase or leasing		£900	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£900
Postage, printing, stationery		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Transport and delivery		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Professional fees (legal, accounting etc.)		£10	£10	£10	£15	£15	£15	£15	£15	£15	£20	£20	£20	£20	£200
Your salary (if PSB is in deficit)*		n/a	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Your salary (over and above your PSB needs)*		n/a	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Staff costs		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Start Up Loan monthly repayment*		n/a	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Enter other		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Enter other		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Enter other		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Enter other		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Enter other		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Total cash out-flows (B)		£1,165	£130	£130	£135	£135	£135	£135	£135	£135	£140	£140	£140	£140	£2,795

Your net cash flow (A-B)	£635	£260	£420	£565	£645	£685	£715	£715	£765	£770	£770	£860	£910	£8,715
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Your monthly opening business bank account balance	£0	£635	£895	£1,315	£1,880	£2,525	£3,210	£3,925	£4,640	£5,405	£6,175	£6,945	£7,805	£8,715
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Your closing cash position	£635	£895	£1,315	£1,880	£2,525	£3,210	£3,925	£4,640	£5,405	£6,175	£6,945	£7,805	£8,715	£8,715
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