

Student- Dhaamin Ahmed

2312240

Strategic management for business

LCLM 6001

Individual report

Lecturer- Yohan Mendis

Brother Blades Barbershop

Executive summary

This report provides the strategic plan of Brother's Blades barbershop as it is a male grooming service. offering high-class high-end luxury hairstyle and grooming to the gentleman audience. This business wants to be upscale and become successful in their field. Focusing on key components such as growth, strategies, and stakeholders. This report is about helping a local business upgrade in every way and finding strategies to be successful in this day and age using key advantages and to watch out for certain risks.

Introduction of Brother Blades

Brother Blades is a family run barbershop run by two brothers who are both barbers as they pride themselves on their own hard work and dedication, in addition to a passion for using a combination of classic gentlemen cuts with a modern newer look. This is a family-owned business as they are a welcoming bunch that offers their business to the local community as every person is catered for and treated with the upmost respect leaving satisfied with every customer is leaved looking and feeling there best.

Their business model can be defined as a retail business model offering high end grooming services towards male clients as they also offer a wide range of grooming products where it can be purchased to help with certain unique conditions. Grooming products such as gel, pomade and wax, for example, for customers who want to style their hair at home to be convenient.

The thing that sets this barbershop apart from others is being a family-built business by two brothers who's dream it was to have their own business come true where they could be doing what their love which is to cut hair and make sure the customers are happy.

Business strategy and vision of the company

Brother Blades' current vision is to produce really authentic and loyal experiences with customers, making them have an amazing experience as they step into the shop. Leaving the shop feeling satisfied by the craftsmanship of the two brothers. It is a place where customers should feel safe, welcome, and trust in the company of Blade brothers.

The business objective is to focus on premium quality, financial growth, and brand loyalty over the next few years as these three are very beneficial and can be a major plus for business success.

Environmental scan

Brother blades' competitor positioning should be focused on what category of barber they are. As brother blade is in a high category barber they should focus on their craftsmanship and their relationship with every customer to build a loyal base. If they focus on these two factors, they will have opportunity and success, however as business goes on things can end up on the wrong side as they will need to have preparation from the competitors.

Having a focus on internal environments is a great idea for the Brother Blades to achieve a strategy using the SWAT analysis this will help identify all the areas of information needed to help identify everything and will lead in an advantage in the business world.

Strength- Strong brand and culture of brotherhood- this is very important, and this phrase creates a sense of warm welcoming from the business to the client. This makes the clients feel more at home and will more likely be loyal to the business they will feel special and proud. Instead of the casual fast serving service, they will have a unique time attended to them.

Master barbers and expertise- this is an important skill that the brother blade has as they can use the special craftsmen ship they have to impress the clients with their work. The more clients are happy with their haircuts and experience, the more loyal they will stay in the business.

Weakness – high reliance on key barbers- this is a crucial factor especially in a barbering business as having high level skill barbers must be around if not it can jeopardize the business as if even one is away it can corrupt the business.

High overhead cost- having a barbershop is an expensive business to run as there are many cost factors to look out for. For example, one can be the shop of the property the expense to the landlord. Another cost is the equipment of the barbershop tools and what tools would need to be replaced on a monthly or weekly basis.

Opportunities- High demand- there is a high growing demand for this business as the male grooming experience is increasing rapidly and will always be in trend as clients are willing to pay the premium price to look good and feel good for a massage, a haircut and a beard shave it will always be in date.

Another opportunity is that the brother's blade business can incorporate an online booking system where the client can go online and book what treatment he would like and book it for the designated time and date. This will make the business smooth freely and cause little headaches.

Threat-barbering businesses are everywhere, and it's always available as there is a high demand. There will also be a lot of competitors out there stealing from your customers, so it's very important to understand this. In addition, competitors are always on the look to recruit the best barbers to make them get the upper hand. This can cause major advantages towards the competitors.

Another threat would be due to this type of business being high end it could be a problem due to economic crisis and the financial market being so unstable this could be a negative issue. Clients may not be able to uphold the prices during these times.

Pestel external environment

Using a pestel analysis is very important for the business. It forces the business to look outside of the business and makes the company more reliable and sustainable. Using a pestel analysis helps you prepare each category that pestel stands for as each letter is used for a special meaning linked to helping the business knowledge for the real world.

PESTEL

Political- the political side is driven by the government on business with tax and staff wages being very important to them. VAT thresholds can cause a massive disturbance in the business. Also, understanding the staff wages and the wages going up every year means higher staff wages, which is carried out by law. In addition, local councils have a major impact on the decisions you would want to make. As they are required to check if you are licensed so they can check if all the standard criteria are met to open for the public such as health and safety issues. If it is not registered and not met with the right certificates, the local council has the power to create fines for the business and even shut down the business entirely until further notice.

Economics- as a business looking at the economic side of things is crucial and important to understand when running a business. With this type of premium luxury men's barbershop usually it is quite resilient however due to the rise of inflation this barbershop can be quite difficult to represent for the masses of people and will require to use there advances onto the more middle to upper class society. Moreover, the male grooming industry has been booming as many people will pay the premium to look and feel good this is a plus for the business economic side as there is always a demand in the market for barbershops.

Sociological- social media has promoted well-groomed male to an all-time high with certain trends have been rising such as different types of haircuts such as skin fades in addition beard hairstyles and different looks for different people. With youngsters wanting to have the same haircut and hairstyle as celebrities such as famous footballers and basketball players such as Cristiano Ronaldo and Stephen Curry. With consumers being all types and ages and the rise of millennials and gen z having good products is very beneficial towards the company.

Technological- technology is everything now in this day and age, and it can be used to help businesses in so many ways. As mentioned earlier, online booking systems help massively

as they schedule times, so the barbers are prepared and understand the customers' wishes before the clients even enter the barbershop. The use of history to track patterns in customers repeated times how frequently each customers books and what date what haircut and grooming they desire what price. As a business in this day and age with everyone on social media it is the best marketing in the world as social media is a globalization and it is very important to have a successful brand to create a social media whether it is TikTok or Instagram or YouTube to post high quality content building an audience to welcome and show off the talent of the brother blades. The brother blades can post content about what is best for each hair product, show off their clients before and after pictures and see where to find them. This is all free marketing that can be done from your devices.

Environmental- this can be to have a unique product which is animal cruelty free and use only natural ingredients and no harsh chemicals which is indirectly saving animals and environmental issues but also not causing harm towards the customers who are purchasing and using these products. For example, pomades, gel and wax can all be organically produced, still having that amazing luxurious feel to help both the environment and customers.

Legal- legal issues of a business can occur such as the wages of the employers and the overall condition of the shop. The health and safety of the shop, the hygiene of the place and overall cleanliness so it is very important to have a health and safety certificate and maintain and keep up with hygiene Make sure the equipment being used is clean after every client, so it doesn't cause any bacteria.

Ansoff matrix

The Ansoff matrix is a strong strategy framework to use for brother blades this framework will help the two brothers understand the four key points of the strategy and how important each point is that can help them create a strategy that is sustainable and bullet proof.

This framework is severely useful as it highlights the risk and reward of the strategy when it comes to a premium business. It provides a clear vision of managing the growth of the business as well as the risk towards it.

The four points that is going to help is

Market penetration- this is increasing the number of customers within their existing target area. This is to keep the customers satisfied and make them want to come back and also make the competitor's customers switch from them to us. It is important to not go down the root of price cutting as it does not align with the premium quality of the service and

product of the brand. Instead of gaining customers and keeping repeated customers and new customers from coming back is to make sure the level of service is at an all-time high as it is amazing and consistent.

introduce a reward system where the loyal customers who come in regularly can get an extra service done for a discount or for free depending on the cost of it. This gives the customers a sense of warm feeling as they are welcomed and feel at home.

Product development- according to Ansoff matrix, this is where you give some service or product to your loyal customers. This strategy is a little bit of a risk as it means you are adding a service or product at a discounted price or for free however this is all to get an average of higher quality of loyal customers meaning in the long run you will have a lot of loyal customers who see the hard work and dedication to the craftsmanship. The main goal of this is to get as much loyal clients stepping foot into that door this will make a base where you can create a local gathering community where you can make new products for them suggest to them what problems you are facing when it comes to grooming and offer a solution to their problem at a charged price. For example, if one customer says they are finding it hard to have a product to style their hair. Offer them advice and build a product for that which can not only help one individual but many others and it is a product where they will be buying it at a monthly basis so that can be extra revenue Aswell as the haircut and grooming barbershop.

Market development- this is to use the signature and high level experience that you have attained from brothers blades and incorporate it into a new business model for example you can duplicate the existing brothers blade into a new location or you can create a completely different environment such as a luxury hotel in a new different city such as New York City. Make use of the proven strategy that has been acquired through your high-level experience and make a way to duplicate your income through another location.

Diversification- this is to introduce a whole new market segment using all the experience about business to incorporate it into another niche product such as a luxury clothing brand or a luxury fragrance. This is a risk however it can be a great path towards diversification and a long-term benefit.

Stakeholders' analysis using Mendelow's matrix.

A stakeholder's analysis is crucial when it comes to business. Focusing on this topic allows the brothers of the business to understand which stakeholder has power and influence of the business and who doesn't as much. This can make things clear to focus on which stakeholders more and network and make decisions to collectively better the business.

Menedleows matrix is good for this premium business as it is simple and focuses on the interest of the stakeholder as well as the power of the stakeholder, which is two of the most important things.

Local community- the local community in general has low interest as they don't have an indirect relationship towards the business of the barbershop. However, they do have high power as if enough people from the local community can make noise if something is wrong with the business such as high level of noise or parking complaints.

Barbers/ internal staff- low power as there is a limit to what they say as they have little decision-making power as most of their views must be in line with the customers. However, their interest is high. They are maintaining the business and ensuring the products and service towards the customers are at a high level. They use communication between staff and customers and create meetings to discuss strategies and new updates.

Local council

They have high power as they possess the power to shut down the business and even cause disruption towards the supply chain of the business, however they only tend to be keen on compliances and to follow the rules and law of owning a business to maintain a clean and safe environment for the customers and to make sure the taxes are being sent out correctly. In terms of interest, it is little as they are not that focused on the actual business and how they operate in terms of uniqueness and creativity.

Customers-

Customers have high power and high interest in business. High power, due to if no one goes, the business will shut down. Decisions must be made with their voice in and their input as they are the buyers for the business in a way. High interest as they are getting their hair and face groomed so they will be invested in the operation, and the product and service are at an all-time high.

Strategy recommendations

The key strategy to be recommended is to maintain a high bespoke luxury grooming barbershop as looking at the market of this industry it is only going up. In addition, with

socialmedia it has made everyone care more about how they look and how people would want to perceive them. This gives a favor and a gap in the market to capitalize as people from all age ranges would pay the premium as long as the quality and craftsmanship is there.

Once loyal customers have been set, then start adding other products or services which can help them at a monetizable rate. From then on, keep producing quality work and posting it on social media for a bigger audience and brand building.

Conclusion

In conclusion, this shows how in depth it is to build a business and what things are taken into consideration. The key topics that were addressed were the brand of the business, what the two brothers stand for. The strategic ways to operate the business and to find an opportunity in a market. Swot analysis, pestle analysis and analysis of stakeholders are all these which are important and information that will take the business to the next level.

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