

Individual Written Business Plan

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Overview of business idea

My business plan is to open my own hairdressing salon, as I have prior salon experience that I will utilise. I have worked in the salon before and have education and qualifications in the hairdressing industry. The business idea is to open a modern hair salon offering haircuts, colouring, styling and treatments for women. I will also include event and bridal hairstyling, as well as online booking. In my salon, I expect to have one senior stylist (team leader), one stylist, and one junior stylist; I will be the manager and owner.

The location of my salon will be Birmingham because I have lived here for 13 years and have found many opportunities in this place. According to *List of Hair salons in City and Borough of Birmingham, 2025*, there are roughly 447 salons in Birmingham, UK. Some areas, such as Stockland Green, have fewer salons, showing space for growth.

I plan to open my salon near busy areas and university areas to attract customers aged between 18-25, hopefully some older customers as well, so I can help them to take better care of their hair, as they may be struggling due to their age. The salon's USP is to focus on inclusivity and take special care for different hair types while offering professional and accessible services.

Inspiration Picture for my salon business (*The Best Hairdressers in Birmingham at Malcom Hall Blog, 2024*).



Legal format and management structure

The legal form for my business will be a sole trader. As a sole trader, I work for myself and are classed as self-employed and make all business decisions. Sole trader businesses have unlimited liability, meaning the owner is responsible for all the business's debts and may be able to get some protection with business insurance. Despite these drawbacks, I can be my own boss, which is part of why I have chosen this business format (*Become a sole trader, 2025*). Another reason why I have chosen this business format is that it is easier to set up and inexpensive.

The management structure of my hair salon business will be that I will be the owner and salon manager of the salon, leading the business, managing financing and staff. One senior stylist who will specialise in advanced services such as colour and treatments also guides and trains junior stylists. Also, one stylist who will provide core services such as cutting, styling, colouring and treatments. In addition to building client relationships and promoting add-on services /products. Moreover, one junior stylist who assists with shampooing, blow drying and prep work is also gaining training.

PESTLE Analysis

Political

- Government stability: When opening a salon, a stable government is needed because it can provide a predictable future for businesses. This is important for attracting customers and funding. Generally, Birmingham's government stability is strong enough to open a hair salon business.
- Brexit has affected the cost of some imported hair products; imports from the EU are reported to be more expensive with higher customs costs and delivery times extended (Warn, 2022). That is why I will focus on using local suppliers where possible.

Economic

- The economic situation in the UK can directly affect how much customers are willing to spend in salons. With UK inflation averaging 3.8% in 2024 (Office for National Statistics, 2024), the cost of running a salon could rise.

- According to the National Hair and Beauty Federation (2024), the hair industry contributes over £5.8 billion to the UK economy and employs more than 250,000 professionals. This shows the sector remains strong.
- To adapt, I will set affordable prices while offering high-quality services and offering discounts and loyalty cards to attract customers, especially for students and local workers in Birmingham.

Social

- Social trends are very important for my business. Birmingham is one of the most diverse cities in the UK, with around 42% of its population identifying as ethnic minorities (Office for National Statistics, 2021). This means that there is a strong demand for salons to understand and cater to different hair types and textures.
- Social media plays a major role in influencing hair and beauty trends. I will use Instagram, TikTok, and Facebook to showcase my work as these are the most popular amongst young adults (Ofcom, 2024).

Technological

- Technology can help my business operate more efficiently and attract more customers.
- The UK Government also invests £26 billion annually in digital technology, heavily in research and innovation to support development and digital transformation across industries (*State of digital government review*, 2025).
- This national investment helps small businesses like mine benefit from new tools and training programs.
- Contactless payment systems, digital receipts, and email reminders will help modernise the salon experience and improve customer satisfaction.

Environmental

- Environmental awareness is increasing across the UK, with significant improvements in knowledge, attitudes, and behaviour over the past decade (ONS, 2024). Many customers prefer salons that use eco-friendly and cruelty-free products. Using sustainable brands and reducing plastic waste can make my business more appealing. For my salon, I will focus on using cruelty-free

and vegan-friendly products, turn off equipment when not in use and recycle properly.

- Birmingham City Council has also promoted energy efficiency initiatives for small businesses (Birmingham City Council,2024).

Legal

- The salon industry in the UK is heavily regulated. I must comply with the Health and Safety at Work Act 1974, the Control of Substances Hazardous to Health (COSHH) Regulations 2002, and local council hygiene requirements (Health and Safety Executive, 2024).
- I will also need Public Liability Insurance and Employers' Liability Insurance once I hire staff.
- Employment laws such as the National Minimum Wage Act 1998 will also apply.
- Following these legal frameworks will ensure my salon operates safely and professionally while protecting my clients and employees.

Marketing Plan

To attract customers, I will use both online and offline marketing methods. My particular focus will be on social media marketing because social media offers many benefits, including not requiring any upfront costs for most social media platforms (Krasniak, Zimmerman, and Ng, 2021, p. 13). As most of my target customers (aged 18-25) use platforms like Instagram, TikTok and Facebook, I will post photos and videos of hairstyles, colour transformation and bridal looks to showcase my skills. I will also adopt content marketing by posting tutorials and haircare tips to engage with followers, which helps me to showcase my work and attract new clients. It also helps potential customers see the quality of the service before booking an appointment, which builds trust and engagement.

I plan to create a Google Business profile so that people searching for “hair salons near me” in Birmingham can find my salon easily. This will also help me to develop my brand awareness, allow customers to leave reviews and build trust.

Apart from the online approach, I will design flyers and posters to distribute around local universities, gyms and community centres. I will also offer student discounts and loyalty cards to encourage repeat visits.

I will also be forming partnerships with other local shops for package deals. For example, if there is an aesthetic spa down the street, I can offer a promotional special for customers who schedule a facial and a haircut. Another strategy could be QR code stickers everywhere. The world loves QR codes, which means if I leave them everywhere, it's legal, such as local colleges, coffee shops and outside restaurants. By using this simple strategy, I can increase the chance of future clients finding out more about my salon (Marcus, 2023). My brand will focus on being inclusive, friendly and professional. By offering high-quality service and customer care, I will aim to build a strong reputation and attract new clients through word of mouth.

Funding and Expenses

Below is a table of startup costs.

	Estimated Cost Month
Cash out-expenses	1
Rent or premises costs	£6,000
Business rates for your business premises	£500
Utilities (gas, electricity, water)	£250
Insurance	£200
Telephone and internet	£80
Marketing and advertising expenses	£1,200
Vehicle running costs	£0 (not applicable)
Equipment purchase or leasing	£4,000
Postage, printing, stationery	£100
Transport and delivery	£50
Professional fees (legal, accounting etc.)	£700
Cost of sales (Cost of product)	£2,500

Wage of your own	£0(Owner not drawing salary in month 1)
Staff wages	£1,800
Any other	£1,800
Total cash out-flows (B)	£18,980

Table of cash Inflow	MONTH
Cash in	1
Loan- start-up capital (Government)	£15,000
Sales (total sales of product and/or services)	£4,000
Personal funding	£5,000
Total cash inflows (A)	£19,000

Cash In-flow

For my business, I will be using a combination of personal savings and a government loan. This approach allows me to demonstrate personal commitment while accessing additional capital under favourable terms. It balances financial risk and preserves ownership.

A government loan is an unsecured personal loan ranging from £500-£25,000 to start or grow a business (Government Digital Service, 2017). I believe this is the better financing for my business because this type of loan usually has a much lower interest rate compared to the loans from commercial banks and is more flexible in repayment terms. Plus, the lenient credit system means even business start-ups with no significant prior credit history can still qualify (*Government-Backed Loans vs. Traditional Loans: Which is Better?*, no date). I intend to obtain £15,000 from the government loan and £5,000 from my own savings.

Revenue

If I price standard services such as haircuts at around £30 and colouring treatments at £50-£80, I can generate around £7,000-£9,000 per month once

my client base grows. Careful budgeting and consistent marketing will be essential to achieve this.

Summary

By combining strong digital marketing with affordable pricing and a clear brand identity, my salon can successfully attract customers in Birmingham. Government loan support and careful financing planning will help me cover startup costs and operate sustainably in the first year.

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