

**FREE VERSION OF GROWTHINK'S
ULTIMATE HAIR SALON BUSINESS PLAN
TEMPLATE**

[Company Logo]
(if applicable)

[Company Name]
BUSINESS PLAN
[Current Month], [Year]

[Name]
[Title]
[Company Name]
[Address 1]
[Address 2]
[City, State Zip]
Tel: []
Fax: []
Email: []
Website: []

CONFIDENTIAL

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PLEASE READ THIS FIRST:

NOTE: this is the Free version of Growthink's Ultimate Hair Salon Business Plan Template. Much of the information from the paid version, including the integrated financial graphs and charts have been removed from this version.

The real version of Growthink's Ultimate Hair Salon Business Plan Template is much more than a fill-in-the-blanks template.

That template professionally guides you step-by-step so you can quickly, easily and expertly complete your business plan.

Perhaps most importantly, it includes complete financial projections. You simply enter some numbers (for example the # of products/services you expect to sell and the price), and Growthink's Ultimate Hair Salon Business Plan Template automatically builds your 5-year Income Statement, Balance Sheet and Cash Flow Statement. This service alone would cost thousands of dollars if you hired an accountant to complete it for you.

To upgrade to the full, paid version of Growthink's Ultimate Hair Salon Business Plan Template, please go to <https://businessplantemplate.growthink.com/hair-salon/>

I. Executive Summary

Key Questions to Answer:

- *What does your business do?*
- *What market need does your business solve?*
- *What are 4-7 reasons why your business will be successful?*
- *How much capital, if any, are you seeking for your business?*

Sample from Growthink's Ultimate Hair Salon Business Plan Template:

[Company Name], located at [insert location here] is a brand-new, upscale hair salon focusing on providing high-quality, full-service hair care to the surrounding community. Our product and service lines fit nicely with the prevailing tastes and preferences of the local area – middle class suburbanites want quality hair care, but don't want to pay luxury prices for it.

Products and Services

[Company Name] will provide relationship-oriented haircutting services for all ages and both genders. Haircutters will focus on building long-term rapport with their clients and strive to deliver personalized beauty results for each individual.

All manner of special treatments will be available—including perms, extensions, coloring, and styling for special occasions (weddings, proms, etc.)

In addition to providing these services, [Company name] will also be a retailer of exclusive hair care products. Customers will find products at [Company name] that they won't find in grocery stores.

II. Company Overview

Company Profile

- *Where are you located?*
- *When were you formed?*
- *What is your legal entity form?*

Company Vision/Mission Statement

- *What goals is your company trying to achieve?*

Past Accomplishments

- *What successes has your company already achieved?*

Sample from Growthink's Ultimate Hair Salon Business Plan Template:

[Company Name], located at [insert location here] is a new, upscale hair salon focusing on providing professional hair cut styles and services in an enjoyable environment. It will showcase a well-designed interior as well as a full-featured waiting area equipped with television screens and at-request refreshments. [The Company] also sells a variety of premium hair styling and hair care products which will be on display in the waiting room.

[Company Name] was founded by [Founder's Name]. While [Founder's Name] has been in the hair styling business for some time, it was in [month, year] that he decided to launch [Company Name]. Specifically, during this time, [Founder] took a trip to Fort Lauderdale, FL. During his trip, [Founder's Name] frequented a hair salon that enjoyed tremendous success. After discussing the business at length with the owner of the salon, [Founder's Name] clearly understood that a similar business would enjoy significant success in his hometown.

Specifically, the customer demographics and competitive situations in the Fort Lauderdale location and in his hometown were so similar that he knew the business would work. After surveying the local population, [Founder's name] went ahead and founded [company name] .

III. Industry Analysis

Market/Industry Overview

- *In what market(s) do you compete?*

Market/Industry Trends

- *What are the key market trend(s) and how does that effect you?*

Relevant Market Size

- *How large is your relevant market (the # of customers who can realistically buy from you)?*

Sample from Growthink's Ultimate Hair Salon Business Plan Template:

[Company Name] competes against small, individually owned hair salons and barber shops, and against major regional or national chains. There are over 450,000 registered salons in the United States, a figure that reflects the hair cutting needs of 300 million people.

The hair salon industry is a fragmented one, as the 50 largest companies only hold 15% of the market, which is estimated to grow to more than \$35 billion in three years. This bodes well for [Company Name]; since there are no truly dominant competitors, barriers to entry are not as high as many other industries, and a start-up can expect to have success in this growing market. There is plenty of room in the industry particularly for well-placed local salons that cater to specific geographic and demographic customer niches. Smaller hair salons can easily develop loyal clienteles that enable them to compete and succeed against industry giants; in this industry, size does not necessarily mean an advantage, which bodes well for [Company name].

The largest competitor in the hair salon industry is Regis Corporation, which is affiliated with more than 8,000 locations across the continent. Their business model uses a combination of franchising and corporate ownership, along with several different brand names at different market positions. Regis tends to maintain central control of its higher-end locations, and franchise its discount haircutters.

IV. Customer Analysis

Customer Needs

- *What are the key needs of your target customers?*

Target Customer Profile

- *Who are your target customers? Give a detailed demographic profile.*

Sample from Growthink's Ultimate Hair Salon Business Plan Template:

[Company Name] will serve the residents of [company location] and the immediately surrounding areas as well as those who work in [company location].

The area we serve is populated mostly by the middle class; as a result, they have the means to pay for higher quality service, and are looking for a hair and beauty services somewhere between the deep discounters and the top-end luxury brands.

The precise demographics of the town in which our retail location resides is as follows:

V. Competitive Analysis

Direct Competitors

- *Who are your direct competitors? What are their strengths and weaknesses?*

Indirect Competitors

- *Who are your indirect competitors? What are their strengths and weaknesses?*

Competitive Advantage

- *What are your competitive advantages? Are these sustainable (can competitors emulate them)?*

Sample from Growthink's Ultimate Hair Salon Business Plan Template:

The following retailers are located within a 5-mile radius of [Company Name], thus providing either direct or indirect competition for customers:

Joe's Beauty Salon

Joe's Beauty Salon is the town's most popular beauty salon and has been in business for 32 years. Joe's offers a wide array of services that you would expect from a beauty salon.

Besides offering haircuts, Joe's also offers nail services such as manicures and pedicures. In fact, over 60% of Joe's revenue comes from services targeted at women outside of hair services. In addition, Joe's does not offer its customers premium salon products.

For example, they only offer 2 types of regular hair gels and 4 types of shampoos. This puts Joe's in direct competition with the local pharmacy and grocery stores that also carry these mainstream products. [Company Name], on the other hand, offers numerous options for exclusive products that are not yet available in [Town's Name].

VI. Marketing Plan

Branding

- *What is your desired brand positioning?*

Promotions Plan

- *How do you plan to promote your company's products and/or services?*

Sample from Growthink's Ultimate Hair Salon Business Plan Template:

The Marketing Plan describes the type of brand [Company Name] seeks to create and the Company's planned promotions and pricing strategies.

The [Company Name] Brand

The [Company Name] brand will focus on the Company's unique value proposition:

- Convenient location
- Familiar, regular stylists
- Significant personal attention
- Fair price points
- Comfortable, customer-focused environment

Promotions Strategy

[Company Name] seeks to position itself as a respectable, upper-middle-market competitor in the hair salon market. Customers can expect to receive professional hair care from familiar haircutters for a price somewhere between discount chains and luxury establishments.

The [Company Name] Brand

The [Company Name] brand will focus on the Company's unique value proposition:

- Convenient location
- Familiar, regular hairstylist
- Significant personal attention
- Moderate price point
- Comfortable, customer-focused environment

VII. Operations Plan

Key Operational Processes

- *What are the key operational processes that your organization needs to accomplish on a daily basis to achieve success?*

Business Milestones

- *What milestones will you need to accomplish over the next 1-3 years in order to achieve success?*

Sample from Growthink's Ultimate Hair Salon Business Plan Template:

[Company name] will carry out its day-to-day operations primarily on an appointment basis. Walk-in clients will be served by the earliest available hairstylist, but priority will be given to clients who called ahead. In the meantime, waiting customers can divert themselves in the lounge, which features television and current popular magazines. The Company intends to employ [X] hairstylists and [A] assistants during peak hours and [Y] hairstylists and [B] assistants during off-peak hours. [Company name] anticipates having [Z] customers on a weekly basis.

In order to execute on [Company Name]'s business model, the Company needs to perform several functions. As a hair salon, the majority of employees will assist in up selling customers in addition to the primary functions as hair cutters and specialists (coloring, perms, etc.). [Company name] anticipates using the services of X employees, divided into the following roles.

Service Functions

- Hair cutting
- Hair coloring
- Hair washing
- Product sales

VIII. Management Team

The Management Team section of the business plan must prove why the key company personnel are “eminently qualified” to execute on the business model.

Management Team Members

- *Who are the key members of your management team?*

Management Team Gaps

- *Who do you still need to hire?*

Sample from Growthink’s Ultimate Hair Salon Business Plan Template:

[Company Name] is led by [Founder’s Name] who has been in the hair salon business for 20 years.

While [Founder] has never run a hair salon himself, he has extensive experience cutting, treating, and styling hair at major salons for the past 20 years. He began his career in [19xx] when he received a certification from [Hair Cutting School] and began work at [major chain], where he worked for X years.

[Founder] graduated from the University of ABC where he majored in Communications.

[Other person’s name] will serve as the customer service manager. He/she has extensive experience the hospitality industry.

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[Founder] graduated from the University of ABC where he majored in Communications.

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IX. Financial Plan

Revenue Model

- *In what ways do you generate revenues?*

Financial Highlights

- *What are your topline 5-year financial projections?*

Go to <https://businessplantemplate.growthink.com/hair-salon/> for the paid template that automatically generates your 5-year financial projections

Funding Requirements/Use of Funds

- *How much money do you need to start and/or run your business? What are the primary uses of these funds?*

Sample from Growthink's Ultimate Hair Salon Business Plan Template:

Company Name]'s revenues will come primarily from the services rendered and secondarily from the sale of hair care products.

As with most services, labor expenses are the key cost drivers for hair salons. Hair stylists are paid through a combination of salaries and commission, rewarding them for performance and making hair stylists an active part in business retention and development.

Capital Requirements and Use of Funds

[Company Name] is seeking a total funding of \$260,000 to launch its store. The capital will be used for funding capital expenditures and location build-out, hiring initial employees, marketing expenses and working capital.

Specifically, these funds will be used as follows:

- **Store design/build:** \$140,000
- **Working capital:** \$120,000 to pay for marketing, salaries, and lease costs until [Company Name] is cash-flow positive

Key Assumptions & Forecasts

	FY 1	FY 2	FY 3	FY 4	FY 5
Revenues					
Hotel	\$1,980,125	\$2,832,031	\$3,409,160	\$3,783,447	\$4,100,713
Total Revenues	\$1,980,125	\$2,832,031	\$3,409,160	\$3,783,447	\$4,100,713
Expenses & Costs					
Cost of goods sold	\$455,429	\$623,047	\$681,832	\$718,855	\$738,128
Lease	\$0	\$0	\$0	\$0	\$0
Marketing	\$149,006	\$141,602	\$170,458	\$189,172	\$205,036
Salaries	\$721,095	\$797,115	\$1,014,687	\$1,119,408	\$1,164,185
Initial expenditure	\$50,000	\$0	\$0	\$0	\$0
Total Expenses & Costs	\$1,375,530	\$1,561,763	\$1,866,977	\$2,027,436	\$2,107,349
EBITDA	\$604,595	\$1,270,268	\$1,542,183	\$1,756,011	\$1,993,364
Depreciation	\$372,760	\$372,760	\$372,760	\$372,760	\$372,760
EBIT	\$231,835	\$897,508	\$1,169,423	\$1,383,251	\$1,620,604
Interest	\$164,782	\$144,184	\$123,586	\$102,988	\$82,391
PRETAX INCOME	\$67,054	\$753,324	\$1,045,837	\$1,280,263	\$1,538,213
Net Operating Loss	\$0	\$0	\$0	\$0	\$0
Use of Net Operating Loss	\$0	\$0	\$0	\$0	\$0
Taxable Income	\$67,054	\$753,324	\$1,045,837	\$1,280,263	\$1,538,213
Income Tax Expense	\$23,469	\$263,663	\$366,043	\$448,092	\$538,375
NET INCOME	\$43,585	\$489,661	\$679,794	\$832,171	\$999,839
Net Profit Margin (%)	2.2%	17.3%	19.9%	22.0%	24.4%

X. Appendix

Sample from Growthink's Ultimate Hair Salon Business Plan Template:

The following pages present detailed financial projections for [Company Name] over the next five years. The specific tables to follow include:

- Startup Costs
- 5 Year Annual Income Statement
- 5 Year Annual Balance Sheet
- 5 Year Annual Cash Flow Statement
- Quarterly Income Statement for First 3 Years
- Quarterly Balance Sheet for First 3 Years
- Quarterly Cash Flow Statement for First 3 Years

Attention Entrepreneurs: Now, if you want to finish your business plan FAST and you don't want to struggle with your financial model, then you're in luck...

"Finish Your Business Plan Today With Growththink's Fully Customizable Hair Salon Business Plan Template."



As seen in: **FORTUNE** THE WALL STREET JOURNAL The New York Times **Entrepreneur** **Forbes** **VentureBeat**
BusinessWeek **SmartMoney** **FOX** **Deal** Los Angeles Times **Inc.**

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