

**FREE VERSION OF GROWTHINK'S
ULTIMATE 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: []

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PLEASE READ THIS FIRST:

NOTE: this is the Free version of Growththink's Ultimate 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 Growththink's Ultimate 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 Growththink's Ultimate 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 Growththink's Ultimate Salon Business Plan Template, please go to

<https://businessplantemplate.growthink.com/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 Salon Business Plan Template:

[Company Name], located at [insert location here] is a brand-new, upscale salon focusing on providing high-quality, full-service salon 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 salon care, but don't want to pay luxury prices for it.

Products and Services

[Company Name] will provide relationship-oriented salon services for all ages and both genders. Employees 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 salon 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 Salon Business Plan Template:

[Company Name], located at [insert location here] is a new, upscale salon focusing on providing professional salon 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 salon 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 salon 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 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.

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 Salon Business Plan Template:

The industry in which [Company Name] will compete is experiencing a number of different trends.

Market-level trends:

- Slow but steady growth. This market is expected to grow consistently at around 2% annually.

- Success drivers. Customer satisfaction is what ultimately makes one salon triumph while another fails. The experience a salon's client has determines whether or not they return and whether or not they refer others to the same salon.
- Seasonal change. The salon industry tends to thrive in the summer and spring. [Company Name] will launch operations during [spring/summer], when the industry is experiencing higher sales. Catching a seasonal upswing in the first quarter of business should help provide a buffer of cash for [Company name].

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 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 salon and beauty services somewhere between the deep discounters and the top-end luxury brands.

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 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 salon services, Joe's also offers hair care services. In fact, over 60% of Joe's revenue comes from services targeted at women outside of salon services. In addition, Joe's does not offer its customers premium salon products.

For example, they only offer 2 types of product lines. 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 Salon Business Plan Template:

[Company name] seeks to position itself as a respectable, upper-middle-market competitor in the salon market. Customers can expect to receive professional salon care from familiar technicians 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 technician
- Significant personal attention
- Moderate price point
- Comfortable, customer-focused environment

Promotions Strategy

[Company Name] expects its target market to be individuals working and/or living within a 5-mile radius of its facility. The Company's promotions strategy to reach these individuals includes:

Local Publications

[Company name] will announce its opening several weeks in advance through publicity pieces in multiple local newspapers and publications. Regular advertisements will run to maintain exposure to relevant markets. Community newspapers, school publications, youth sports programs, and similar channels will be a major promotion effort.

Major Publications

We will make careful use of advertising in selected larger publications. [Publication or newspaper name] has a circulation of xyz and we can expect to reach a wider geographic region of customers on a limited basis. Advertisements with major publications will be used selectively, based on cost effectiveness. These ads will include discount coupons so that response to the ads can be tracked.

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 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 technicians, 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] technicians and [A] assistants during peak hours and [Y] technician 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. [Company name] anticipates using the services of X employees, divided into the following roles:

Service Functions

- Manicures
- Pedicures
- Massages
- Waxing
- Gel salons
- 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 Salon Business Plan Template:

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

While [Founder] has never run a salon himself, he has extensive at major salons for the past 20 years. He began his career in [19xx] when he received a certification from [Salon Tech 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.

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/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 Salon Business Plan Template:

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

As with most services, labor expenses are the key cost drivers for salons. Salon Technicians are paid through a combination of salaries and commission, rewarding them for performance and making Salon Technicians 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 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 Growthink's Fully Customizable 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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