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###### **Hair salon business plan template:**

**Executive Summary:** A short, concise overview of your hair salon business. Try to catch the reader's attention.

* State the need for your service and how your service will address that need.
* Provide information on the market: size, dynamics, growth, and segmentation.
* Identify your competitive edge: unique approach, lower costs, and network.
* Unpack your business model: sales, marketing strategy, margins, and licenses.
* Sell your team: why are you and your team bound to succeed.
* Talk numbers: revenue and expense projections, start-up capital, and major milestones the money will help you reach over the next five years.

**Industry Overview:** A snapshot of the hair salon industry and how you plan to compete in it.

* The hair styling industry: total nationwide expenditure in the industry, major and niche trends emerging, any figures to support your case. Tip: Add quotes from industry analysts.
* Position your hair salon: Discuss the area in which you wish to open business, the quantifiable need for your services, and local trends and figures.
* Competitors: The number of hair salons in the area, and what makes your service stick out. Which of the salons is the oldest? Which of the salons dominate the market at present.
* Sell your hair salon: what make yours unique? On what metrics will you be competing? What about your business are you most passionate?

**Market Analysis:** Proof that you understand your target market, the demand for your service, and competition.

* Over a few short paragraphs, discuss in detail all the findings of your market research: age, location, employment, religion, language, income, marital status, lifestyle etc.
* More relevant questions: How often does your target market visit salons? What hair products do they prefer? What other types of beauty salons do they frequent?
* How will this market change over time: what effects will socioeconomic, economic, political, and demographic shifts have on your market?

**Sales and Marketing Plan:** A description of how you intend to attract new customers, and keep old customers loyal.

* Outline the central goals for your hair salon to reach financial targets: these should be specific, measurable and relevant.
* Branding: What is your mission statement? How will you brand your hair salon? Do you have a logo? What will the website look like? Lifestyle or value brand? What are your standards for quality?
* Direction: Do you intend on expanding? What are the time lines? What is the nature of that expansion?
* Marketing: the methods you’re going to use, why they’re the best for your salon, how much it will cost, and the methods by which you will judge your strategies to be successful or not.
* Pricing: the price of your products and services, and your profit margins.
* Sales: what you will be doing to ensure that when customers and clients come in contact with your brand it leads to sales.

**Ownership and Management Plan:** A description of ownership, legal structures, and staffing and management needs.

* Short paragraphs about you and your management staff that focus on relevant experience
* Organizational structure.

**Operating Plan:** A very detailed outline of the physical requirements of your hair salon: equipment, space, labor etc.

* Location: describe the area, why this location works, what disadvantages and challenges there are and what you will do about them. Do you own or lease the property? What are the terms? Give as much detail about the location as possible in terms of square footage, layout plans, parking, accessibility, nearby businesses, etc.
* Supply and inventory: Who are your suppliers? What are the terms between you and your suppliers? How will you manage inventory? What happens to unsold items? Have you hired enough people and are they the right people?

**Financial Plan:** The most important section. It must show that your hair salon will grow and be profitable. It is best in your forecasts to underestimate revenues and overestimate expenses.

* Sales forecast: a spreadsheet showing your expected sales over the first three years. It should include unit sales, pricing, sales (unit sales x pricing), unit cost, sales cost (unit sales x unit costs), and gross margin (sales less sales cost).
* Expenses budget: fixed costs (rent, payroll etc.) and variable costs (advertising and promotion), including tax and interest estimates.
* Cash-flow statement: a statement showing cash coming in and out. Just starting out, you’ll need to estimate cash-flow broken down into 12 months using balance sheet items and your sales forecast.
* Income projections: your profit and loss statement. Use your sales forecast, expenses budget, and cash-flow statement. Show your gross margin and net profit (what is left after you take cost of expenses, interest and taxes away).
* Assets and liabilities: your projected balance sheet. Your assets are what you have to work with every month like cash, money owed to you, land, buildings, equipment and inventory. Liabilities are your debts. Your bills you need to pay, and money you owe on loans.
* Breakeven analysis: When will your overall revenue be more than your overall expenses?