

The nail shop business plan examples

[Business](#), [Marketing](#)



Executive Summary

Around Cambridge, the youthful population tries to look good and basically imitate their icons on television and their fellow colleagues. However this is far from reality since they have limited information on the latest trends style stores that provide quality products and services and at affordable prices. Fashion setters, meets the demand of this population by offering nail products and services at their convenience. This convenient provision in essence enables students and the rest of our customers pride themselves in well-kept toe and finger nail, neat hair do`s and their esteem is boosted too. This executive and customer tailored provision of services will be achievable through progressive intervention and consultations made through intensive research as a noted requirement in preparing a small firm as mentioned by GEROSKI & SCHWALBACH (1985).

Our company stands by the vision to “ Inspire and Recreate modern Culture”, having a one year mission of being among the top accorded nail shop around Grafton center, in the Cambridge economy with aim of earning revenue in business Harford T (2006) .

Our products are subdivided into categories including; hair do`s, pedicures, manicures, fragrance, and skin therapies such as massage. We created our products uniquely to suit our growing customer needs as highlighted and claimed as one of the major goals for the business (KAY 2010).

The market niche identified was the unavailability of a nail shop that average income earners would identify with, and the need by our customers to have trendy and fashionable finger details. Also, identified is the convenience and availability.

Company description

Fashion Setters will, upon beginning of tasks, sell a wide range of beauty products and services. The services we will provide include; quality hair, skin, and nail services along with top line beauty products. The competitive advantage Fashion setters have over competitors is the commitment to provision of services that are of quality and from a convenient location.

The nail shop will be situated at the Grafton Centre in Cambridge, UK. The location is strategic as it is within the busiest centers with other shops around. This is a high profile area and can easily be accessed from every part of town as required for strategized location placement for an entrepreneurial enterprise (ASHTON 2007). The business is sole proprietorship as it will be headed by a single individual and has an employee number of three employees.

After spending much time in trying to purchase land around Cambridge, the decision is to rent a shop and start a nail shop from the initial set-up. The initial capital will be used in design, initial inventory, and equipment for the nail shop. In line with the company`s vision of being a trend setter in its category, our business is one that entrenches and recreates cultural values and modern day trends that instill moral values to individuals and HANDY (1995) agrees with making sense and surety of a business` future.

The economy is assisted since we facilitate cash flows in the system. This transactionary motive has a replica in development as money changes hands increasing the purchasing power of potential customers.

The company`s objective is to aim for profitability by re-investing back 40% of the revenues generated to increase the asset base and skills required for

the services we are to offer. The company has a vision “ Inspire and Recreate Culture”. Our business intends to portray an image of class and quality in fashion trends while maintaining relevance with the time and age which is clearly described by strategic entrepreneurship skills required by WICKHAM (2006).

Customer Analysis

The targeted group of individuals is ladies, middle aged women, and men whose ages range from 19yrs to 30yrs old. This is a particular group that is sensitive with their appearance. In essence this particular group has a great sense of taste in latest style and fashion that is trending.

The quality of the products and services are provided and they particularly suit the demand of the consumer market. Prices of services and products are reduced hence making our services pocket friendly which is affordable for our target group from a perception of entrepreneurship for small firms (Deakins & Freel 2005). Product design and service provision is tailored to suit our customers and they are branded in order to conform to the latest trends in designs making our customers identify with our products.

The potential customer population is large composed of the middle age and it is one that has a positive growth trend increasing the customer base.

When interviewed, 80% of the consumer group is reported to be purchasing nail products and having regular pedicures and manicures and more frequently during functions and occasions. The researched population set future projections to an interesting growth trend of individuals who would purchase nail products and services that are of quality from a convenient location at affordable prices, as highlighted on the research skills required

for implementing a plan of action as shown MCKEEVER (2002).

The target consumer market is relatively close to the shopping Centre as they also use hang out spots around the area such as restaurants, and lifestyle shopping stores. This proximity of our customer population to our business is of great advantage and convenient as well. Our customers make solo decisions in regards to their image and appearance hence no need for them to consult before buying our products as explained in the instructions to abide by in writing a business plan proposal (YOUNG 2007). This aspect works to our advantage as they can easily make a choice since the simplicity of our products and services does not require significant knowledge and skill to learn the new ranges of products and services we offer.

Competitor Analysis

The main competitors are those businesses that run within the Grafton center and they include; Angel Beauty Parlour, Accessorize, El Hannora beauty shops. These beauty shops offer hair, body, and facial products of differentiated kind but are expensive and so inaccessible to the majority of the population studying at Cambridge as stated and explained by KAY (2010) as one of the key requirements one should look into while starting up a business.

Business Strategy

Internal Environment

Strengths (S)

- Personnel with excellent skills and strong knowledge of existing services and products

- Good interpersonal relationship with customers
- Good internal communications
- High traffic location
- Innovative marketing strategies
- Reputation for innovation

External Environment

Opportunities (O)

- Similar products on the market are expensive and not reliable
- Loyal customers who form repeat customers
- Product could be on the market for social occasions such as Easter, and Christmas
- Request for similar product indicating consumer demand.

Threats (T)

- Launch of a new counter advertising campaign by competitors
- Established competitor shops nearby
- Similarities in products and services
- Less spending by consumers due to the economic downturns.

Fashion setters have a competitive advantage as it offers products and services at affordable prices unlike other shops that offer high end products and services that target only the few high income earners. Our business environment will be a relaxing one where customers can kick back and relax while being pampered as exemplified by ABRAMS (2003) as the major strategies one should take into strong consideration in planning business.

We would offer after sales services would be offered and a relaxation spot for our customers who would enjoy after purchasing our products.

Product description

Fashion Setters is considered an upscale full-service and product nail beauty shop. Our company will deal in an extensive range of products and services.

These components form essentials for economic growth AUDRETSCH, KEILBACH & LEHMANN (2006). They include:

- Hair: relaxers, cuts, colors, perms, curling, shampoo, reconstructing, conditioning, and weaving.
- Nails: manicures, polish, pedicures, and sculptured nails.
- Skin: Massage, European facials, and body waxing.
- Fragrance; perfumes, cologne, body sprays, and deodorants.

Our hair products and services are those that are of great demand in the market as they are trending. Our services will be customized to the market and consumer specifications, this to the satisfaction of our customers.

Customers will enjoy manicures and pedicures and also get free sculpturing of the nails and this is to the first time customers as previously demonstrated (BRIDGE, O'NEILL & CROMIE 2003).

Other services to be offered are the body waxing, European facials, and massage this is to the comfort of our customers and they are affordable since the pricing is pocket friendly. Of the products to be offered, fragrances such as perfumes, cologne, body sprays, and deodorants that are of quality and low priced will be available to our customers who frequently use the products.

Operations plan

The business' operations will involve acquiring new products from genuine suppliers. We will ensure commencement of operations at full potential within the second week of opening the business. Stock monitoring will be ensured frequently at intervals to minimize stock thefts. Business operations will be from early morning 9. 00am to 3. 30pm in the evening.

Development plan

Our business development plan is one that would focus on identifying and achieving unsatisfied market needs. We will seek to establish a brand name through quality provision of services and quality products too. On regularly basis, carry out competitor analysis to establish the uniqueness of our products benefits. Also we will seek to ensure a stock turn-over of about 60% via strategic management CHASTON (2009).

Marketing plan

Product strategy

Our products would be specifically tailored to our young population customers and our products suited to their needs. The aftersales services and good technical support offered by our employees to customers will be of great advantage this coupled with regular product upgrades that we intent to offer together with product warranties to ensure quality assurance to our customers. Our brand Fashion Setters is one set to be a catchy phrase and this would be important to attracting our consumer market.

Pricing Strategy

Our prices will be offered at a price 15% lower than the market prices and since our target market is the student population around Cambridge, these reduced prices on our products and services will be affordable to our customers and enable us maintain repeat customers and retain them for a long while, requisite for positive business planning ALBERTA (2003).

Sales strategy

The table and charts below show our expected sales. We anticipate income acquired to increase at a steady rate over the following months, as the shop`s reputation, its services, and its stylists become ostensible to the common public. Successive monthly revenues would also require us to add one new stylist.

Promotion and advertising strategy

Our marketing strategy is a simplified one in which our satisfied clients tend to be our overall best marketing instrument. Our clients broadcast and advertise our business once they leave our premises with a good new look, this depicts the quality of our services to the general public. Apart from our usual repeat customers, other clients come as a result of referrals from the existing customers we serve via optimistic business management of the enterprise SCHÖLLHAMMER & KURILOFF (1979).

Major promotional and advertising campaigns are less anticipated. Based on our extensive research, use of word of mouth has proven to best working for our type of business. However, on specific days of the week we would run specials. Request to customers or clients for referrals and offer free services

or allow them discount rewards depending on the number of new customers they bring. This will be facilitated as such when a client brings another; we place a card in the boxes for each client brought as instantiated as a key need in business (BRIDGE, O'NEILL & CROMIE 2003).

The Market/Industry Analysis

Globally, income received by individuals keep rising and this coupled with the increase in interconnectivity of global markets increase the interest in purchasing rather discretionary products that such as; perfumes and cosmetics. Though the recent economic tumult had decreased spending on particular items in Britain, purchasing of cosmetics and fashion products has however remained robust. Consumers also adjusted by being more price-conscious however, with over 65% of survey respondents claiming to give mass market products more deliberation than the expensive or high-end products as demonstrated previously (BRIDGE, O'NEILL & CROMIE 2003). The growth trend in the industry is on an upward surge as the revenue expected is on the percentage increase of 8. 7% by the year 2014 from a low of 4. 3% in 2013. As a whole carries on expanding globally, with numerous projections claiming 8. 7% growth by the year 2014; while revenue growth in 2013 is estimated at 4. 3%.

It is less surprising that one of the swiftest in growth segments of this industry associated with beauty is those services and products directed towards men. Initially, this was focused on ladies and women and the trend has since been shifting towards men. Although most of the consumer market has been using deodorants for quite some time most men are increasingly being lured to purchase hair products, body sprays, nail care, and lotions for

the body. Salon shops offer a wide variety of unique services and products for men including; shaves and cuts, massages, facials, and manicures. All these institute to bringing up a good business GEROSKI & SCHWALBACH (1985).

Brand loyalty by customers is a common fact that occurs and usually that which suits best. Up to about 58% of those included in our survey indicated that personal approvals made more impact than marketing by celebrities, and only the remaining 44% purchased products or services for its privilege of specific product or service attributes. Like any other material, beauty products and services gain a level of comfort and familiarity for our consumers hence identifying with our products, this therefore cases difficulty in switching to a new product by the customer and it might take an ideal incentive to draw them off the products they are used to handling as revealed before (Timmons and Spinelli 2008).

The most common form of advertising in this industry often would include free samples and probably discounts for new customers enticed. Nails-only salons have to diversify their products and service offerings so as to include services such as facials, massages, and tanning. This trend helps in mitigating revenue volatility because it will expand the industry's target market and aid in understanding enterprise, entrepreneurship, and small Businesses BRIDGE, O'NEILL & CROMIE (2003).

Management Plan

Fashion Setters will be managed and organized in innovative and creative fashion to generate very high levels of customer satisfaction and creating a working climate very conducive to a high degree of personal growth and

development and financial or economic satisfaction for each employees. Training courses that assist in improving employee product and service knowledge and skills will be conducted regularly. As the business continues to grow, Fashion setters company will consider offering an employee benefit package to include vacation and health advantages to each employee. This action is essential in preparing a business plan BLACKWELL (2008).

The personnel plan demands for a receptionist who will receive payments for services and products offered and receive customers as they come in. There will be one hair stylist, one barber, and one nail technician in alternating pattern. Everyone employed but the receptionist will be on contract basis, and will be paid a slithering commission scale. This is based on the amount of revenue collected and created by each of the workers. Future prospects will include the hiring of a shampoo specialist as the business enlarges as already mentioned and explained (Carter and Jones-Evans 2006).

In the first year, the assumptions are that there will only be a barber, one hair stylist, and part time nail, facial, and massage specialist. This is bias until the business builds a repute that will attract others to work there with us. Our business is one aimed at creating a culture of decency among the youthful population. Also we as an organization strive to achieve a recurring profit of at least 40% by the fifth month of operation. We intend to be the lead designers in nail artistry and establish other innovative products to suit our customers by the end of the first year of operation. Our organizational values are aimed to transparency in all dealings with the customers and key suppliers, commitment to customers, and collaborative approach to new products.

Financial Plan

Our main objective is to be profitable as a business entity at the beginning in the first month. The business wouldn't have to wait a long while for clients to learn about it since the company's stylists will already have an standing customer base.

The financial statements enclosed have a couple of assumptions:

Revenues will grow at an annual rate of 20%, increasing 25% in certain months due to a historical leap in revenues at this particular time of the year. We anticipate this upsurge to remain steady throughout the following months to account for the normal and steady flow of new clients coming into the shop. The estimates for the sales revenue growth are intentionally low, whilst expected expenses are exaggerated to the extreme side illustrating the worst case scenario as exemplified and clarified (PAKROO & STEWART 2010) for small business start-ups.

The cost of goods sold isn't included in the calculations of net products and service sales, but incorporated all related recurring expenses, such as wages and supplies, in the operating expenses section of the profit and loss board. The only direct costs in the sales forecast are for the projected product and services sales.

Break even analysis

The break-even analysis reflects that Fashion Setters has a favorable balance of sufficient sales strength and fixed costs to remain stable. It is focused primarily on service sales, and exempts costs related to the product

sales. Our forecasts are conservative and show the salon just passing the break-even around the sixth month, but we expect actual sales to be higher.

Projected profit and loss

The following table shows the pessimistic profit and loss projections for the next twelve months. It includes every payment for all independently contracted specialists and stylists, as well as those for all regularly occurring supply expenses associated with service sales.

Projected cash flow in Sterling Pounds (£)

Break-even Analysis

Conclusion /the Future

Critical risks in the; Pre-launch phase, and the Post launch phase

Critical risks in the pre-launch phase

The hurdles to setting up a nail shop are the early barriers into the business such as; rules and regulations of operation and the high property costs. High expenses are incurred in the acquiring of adequately skilled workers and procurement of products that are of high quality.

The expected income from selling of products to customers and services offered to them is a major source of capital in addition to loans from micro – finance institutions and banks would add to the expansion program and development of the products and services for quality service delivery. These development costs will be managed efficiently to ensure a steady and profitable growth of the business as essentially prerequisite for small business management (ZIMMERER, SCARBOROUGH & WILSON 2008).

Critical Risks in the post launch phase

The business environment surrounding the nail shop is of uncertainty due to the fluctuations of customer numbers due to seasonal and occasional event preparation. This in essence will be provided for by our extensive promotional technique that would ensure repeat customers with a little more frequency. Our products and services will be of excellent quality and top notch service provision this being our competitive advantage so as to minimize the competitive threat and retaliation of other like businesses, a culture that need to be practiced and demonstrated in business enterprising (GRAY 2002).

Operating expenses will be kept to a minimum to achieve maximum profit potential. This will be achieved by having a minimal and manageable staff of two hence the business retains so much of the revenue this will keep the finances and operating expenses at a minimum. The diverse market trends and changes in the environment will be matched with extensive training for improvement of skills and technique.

This risks that the business may face is averted through fierce advertising such as use of flyers, posters, banners, and discounting strategies that would enable us keep our customer base. The provision of low costs products and services that are of high quality will be a way of protecting our niche that would give us the competitive edge over our competitors as they may pose as threat.

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