

# Generic business plan assignment

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



Project Assignment Week 1 Executive Summary West Coast Tanning is a start up company seeking financing. West Coast Tanning has an experienced management team, excellent location, and sound business strategy. This business plan will highlight West Coast Tanning's needs, market, sales plan, and financial statements. West Coast Tanning will be located in Fullerton, CA. This is a market area of 160, 000 individuals. The location is in a high traffic strip mall with national chains. The business' main service will be offering tanning booths to individuals.

West Coast Tanning will offer six high quality tanning beds and limited retail sales of tanning lotion, bathing suits/swimwear, and sunglasses. Mission West Coast Tanning will offer our clients the highest quality indoor tanning experience, with top-of-the-line beds and tanning accelerators. West Coast Tanning will set itself apart from the competition by making customer satisfaction a top priority. Employees will be treated with dignity, and will be provided with special benefits such as moderate health insurance coverage, free tanning sessions, and a special company picnic once a year.

Employees are the public face of West Coast Tanning, and their health and goodwill is integral to the success of the business. Keys to Success •

Location – being located in a high traffic strip mall and across the street from a health club. • Convenience – with quick tan beds less time is spent in the bed, and extended business hours. • Customer Service – focus on our customers' comfort and needs. Company Summary West Coast Tanning will, upon commencement of operations, provide the service of tanning booth rentals.

We will provide an upscale, sanitary environment, along with quality lotions, swimwear, and sunglasses. Superior customer service and high quality tanning equipment will set West Coast Tanning apart from the competition. Company Ownership West Coast Tanning will be created as a Sole Proprietorship based in Fullerton owned by its principal investors and principal operators. Start-up Summary I have \$65, 000 to invest in the business and are looking to finance an additional \$50, 000 for the build out and start up of their salon.

The funds will be used to finance start-up costs, remodel the location, purchase the equipment, and initial inventory. The funds will be repaid through earnings. Products and Services West Coast Tanning will provide the service of tanning booth rentals to individuals. The company relies on seven SunQuest Pro brand tanning beds. Each bed includes 24 Wolff tanning lamps. Sessions range from 20-30 minutes each. West Coast Tanning will also retail a line of tanning lotions, bathing suits/swimwear, and sunglasses.

#### Strategy and Implementation Summary

The main priorities of West Coast Tanning upon start up are the following: • To maintain positive cash flow and aggressively limit expenses to match the projected financial statements. • To differentiate the brand and product from the competition by supporting and encouraging a unique customer experience. • To outsource important management activities so that any management team gaps are minimized. • By keeping these priorities in mind throughout the start-up process, the implementation team (management team) will maintain a course of action that will lead to solid results.

Competitive Edge West Coast Tanning's competitive edge lies with the way in which customers are pampered. We will provide extra perks that our competition doesn't such as bottled water after their session, free lattes and other perks described below: Twice yearly client fashion show – The salon will close for several hours on a weekend and the fashion show will introduce a new line of swimwear. West Coast Tanning clients will be encouraged to participate as the models for the new swimwear.

The top male and female models will receive a year's worth of tanning each. Weekly drawings – Giveaways of everything from tanning products to free monthly passes to area restaurant giveaways. Auto-payment for individual sessions – Clients who prefer individual sessions to package plans will be able to roll their sessions over into packages if they reach the allotted session amount/month. Sales Strategy Those customers who sign up for an initial tanning session (ITS) will receive special discounts on future tans and tanning programs.

All returning customers will have access to special tanning plans specifically designed for their needs. The tanning salon industry recommends that clients tan no more than every other day. State and Federal regulations recommend no more than once every 24 hours. West Coast Tanning recommends to clients that they discontinue tanning temporarily if skin is inappropriately tanned. The company will offer vouchers to clients that agree to discontinue under such circumstances, and reserves the right to refuse service to any client in cases where tanning abuse becomes a problem.

**Sales Forecast** This projection is based on six quick tan tanning beds, \$10.00 per tanning session, and approximately 200 clients per day. Half of those clients paying on a monthly basis therefore bringing their session cost down to \$2.00 (\$50.00 per month). Also sales increase in the late spring and early summer and begin to taper off in September. **Management Summary** The initial management team will consist of myself, Timothy Crabill (owner). As I grow an additional management member will be added.

I have been in management as a warehouse manager for over 10 years and in the military for over 6 of those 10 years. **Personnel Plan** The personnel plan calls for 2 part-time employees while the owner will be there full time. During the busier months, May, June, and July an additional part-time employee will be added. **Financial Plan** West Coast Tanning expects a profit margin of over 40% starting with year one. By year two, that number should slowly increase as the law of diminishing costs takes hold and the day-to-day activities of the business become less expensive.

Sales are expected to grow 15% per year. **Important Assumptions** After researching the tanning industry in and around Fullerton, the following assumptions have been made: • Consumers are not happy with the two existing tanning salons' equipment, so by bringing in top-of-the-line products we can provide a higher quality service as well as more clients per hour. • Being located across the street from a popular gym we can assume a high amount of foot traffic resulting in higher sales.