

# **Business Plan For: THE CUTTING WAVE BARBER SHOP**

## **Executive Summary**

The Cutting Wave is a modern barber shop that offers today's gentlemen a setting where they can sit back, relax and experience the "New Age" style of male grooming services. The Cutting Wave is aimed towards today's adult professional and urban market and a discerning customer base that will add tremendous value to the local community. The combination of "World Class Services" and comforting atmosphere will firmly establish the Cutting Wave as the place where today's gentlemen in the greater Washington D. C. area can come relax and receive quality grooming services. We intend for our business to become very profitable, by focusing on increasing the client base and making it the sought after destination for a wide variety of men. Having worked in the D.C area for over 17 years, give us an advantage over new startup business that lack that connection to both people and business in the local community. We have a huge following, which makes us confident that we will be a success from day one. Our goal, beyond becoming a profitable business, is becoming a trusted place whereby the clients in our community can come to relax their minds and bodies and network with their friends and colleagues.

## **Company Summary**

The Cutting Wave is a full-service gentleman's barber shop dedicated to consistently providing newly discovered haircuts and grooming services while providing an enjoyable, relaxing atmosphere at an acceptable price. Our motto: "Where Your Appearance Is Our Reputation." The timing can never be better for this type of business venture. With the increasing number of people moving here, the abundance of well-established businesses, coupled with the lack of quality male grooming services in the nearby area lead forced us to build one from the ground up.

## **Keys to Success**

1. Location: Providing an easily accessible location for clients.
2. Environment: Providing a safe comfortable environment that offers relaxing and professional service.
3. Convenience: Offering our male clients, both young and old, a wide range of services with extended working hours at competitive prices.
4. Reputation: Provide superior personal service, quickly and professionally.
5. Effective advertising: Focus advertising in the local area with radio promotions and flyers.

## **Services**

The Cutting Wave is considered a full-service barber shop – with services exclusively for men. We offer our clients a gentleman's atmosphere, with complimenting services and products that include:

1. Hair: All modern styles and traditional haircuts
2. Shaves: Traditional straight edge razor shaves, hot towels, and balm treatment (Alternative shaving methods also available for those with sensitive skin).
3. Hair Removal: Hair removal on neck, nose and ears.
4. Shoe Shine: Shoe shine service available in waiting area or while services are being performed.

## **Market Analysis Summary**

The Cutting Wave will focus on the professional male. An Internet study revealed that 85% of professional men had personal hair grooming services performed during the workday. The subject center fits the demographics of our business. There are many professional buildings located within a five-mile radius. In addition, there are over 40,000 homes located within a five-mile radius.

## **Strategy and Implementation Summary**

1. Emphasize quality, originality, and “World Class Service”. We will differentiate ourselves from our competitors by offering a certified professional staff that is well trained in understanding the dynamics of customer service so as to maximize the connection themselves and their clients, thereby exceeding their clients’ expectations.
2. We will provide a comfort and engaging atmosphere. From our professional staff to the environment and setting of our barber shop, the Cutting Wave will distinguish itself as a completely trustworthy and soothing destination where clients can enjoy being taken care of while escaping the stress of their everyday lives and enjoying the camaraderie of friends and colleagues.

## **Competitive Edge**

Our competitive edge is a combination of our unique services, outstanding location, and our interaction with our clients. By providing our clients a gentleman’s atmosphere and provide world class services, we will build relationships of trust and satisfaction. Our clients will come to depend on our unique services and fulfilling environment.

## **Marketing Strategy**

Our marketing strategy is the key to our success:

1. Emphasize our name and unique services and environment through advertising.
2. Focus on the convenience of our location.
3. Build community relationships and corporate relationships through unique and quality service.

We will focus our efforts and resources towards advertising on radio, flyers and billboards. Television and Print ads can cost hundreds of thousands of dollars to get off the ground. Between getting copywriters, art directors, screen actors, models, video equipment, and studio time, just producing a TV or Print advertisement is extremely expensive. Thanks to technological advances, the costs of radio ad development have come down dramatically over the last decade. A good ballpark range for a single-voice radio ad is \$850-\$900. This includes creative strategy, copywriting and production. When done correctly, a direct response radio advertising campaign can yield profitable new customers and incredible ROI. Billboard marketing is an effective tool to use because it offers a simple and concise advertisement solution that is an extremely cost effective investment.

Some of the benefits include:

1. Constant reminder of your message throughout the year (24 hours a day, 365 days a year)
2. Sustains name and image awareness-can’t be turned-off, tuned-out or put aside
3. Designs that capture and maintain a reader's attention
4. Serves as a directional guide for potential customers

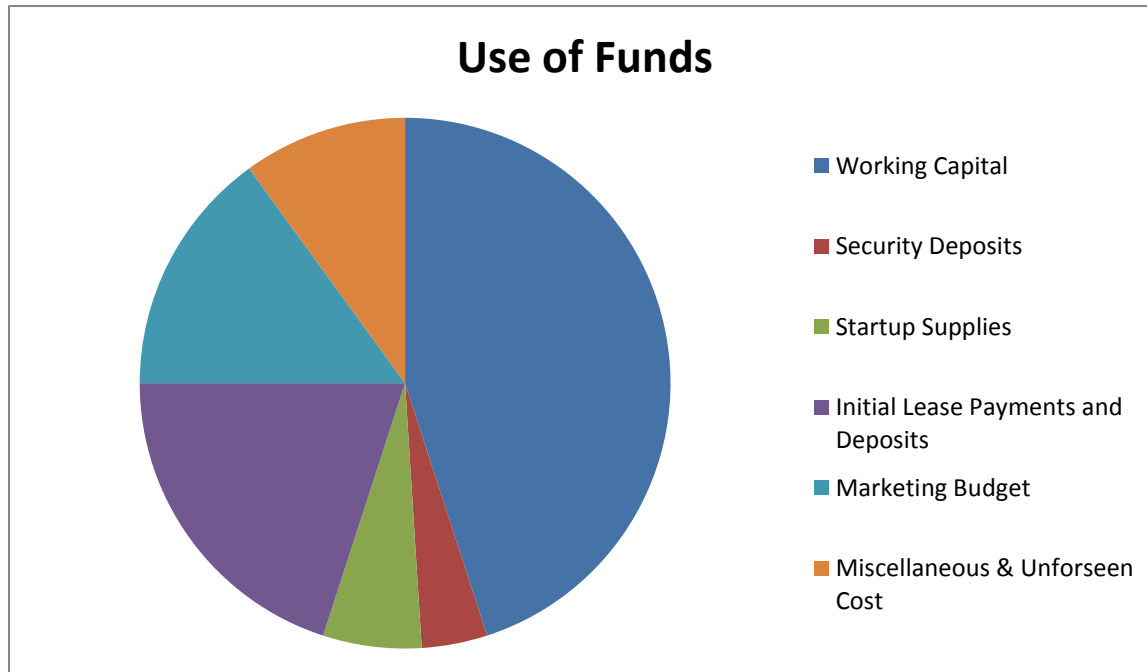
## **Management Summary**

The management philosophy of The Cutting Wave is based on the respect of all employees, respect for every client, and individual responsibility. The management team will consist of the owner, shop

manager, and assistant manager (if deemed necessary). We will hire only those who demonstrate the qualities necessary for working in a professional environment, and the willingness to move forward to continuing education.

## Financial Plan

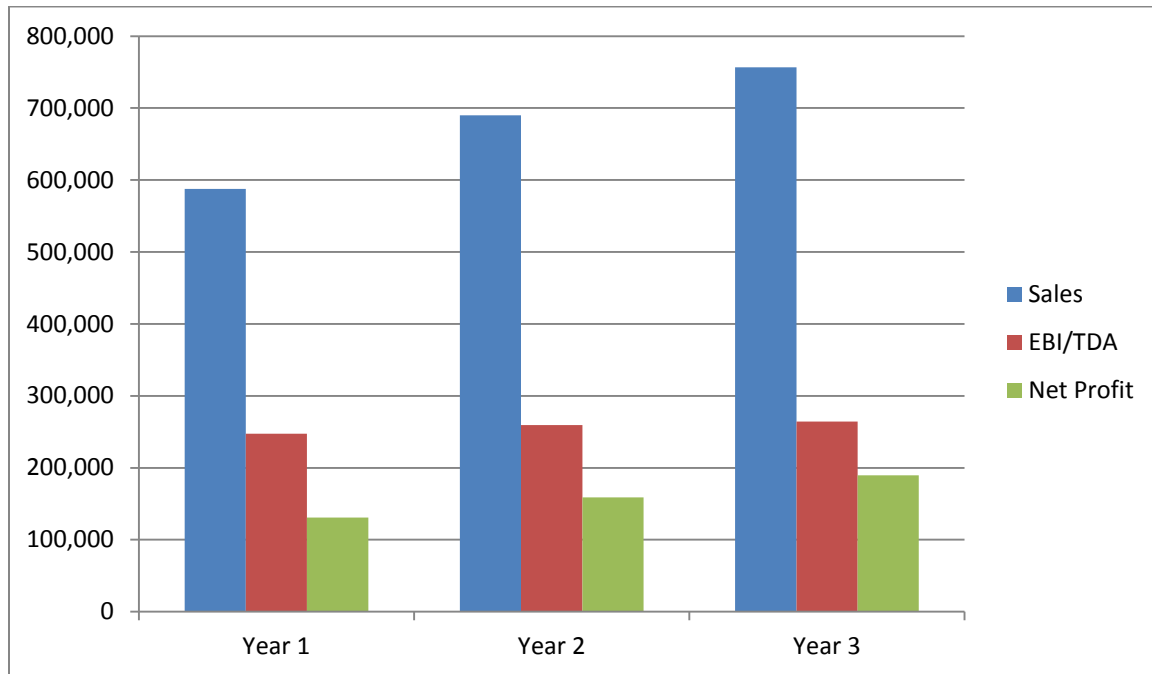
The premier element in our financial plan is initiating, maintaining, and improving the factors that create, stabilize, and increase our cash flow. The Cutting Wave is seeking to raise \$100,000 from a bank loan. The interest rate and loan agreement are to be further discussed during negotiation. This business plan assumes that the business will receive a 10 year loan with a 9% fixed interest rate.



Start-up Funds	
Working Capital	\$ 45,000
Initial Lease Payments	\$ 20,000
Marketing Budget	\$ 15,000
Miscellaneous Cost	\$ 10,000
Startup Supplies	\$ 6,000
Security Deposits	\$ 4,000
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Total	\$100,000

The Cutting Wave expects a strong rate of growth at the start of operations. Below are the expected financials over the next three years.

Sales, Operating Cost, Profits Forecast



Column1	Sales	EBI/TDA	Net Profit
Year 1	587,422	247,598	130,879
Year 2	689,771	259,432	158,691
Year 3	756,852	264,330	189,785