

# Hair and Beauty Salon Sample Business Plan



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# Executive Summary

## Introduction

Trend Setters is a full-service beauty salon dedicated to consistently providing high customer satisfaction by rendering excellent service, quality products, and furnishing an enjoyable atmosphere at an acceptable price/value relationship. We will also maintain a friendly, fair, and creative work environment, which respects diversity, ideas, and hard work.

**Our Mission:** To supply services and products that enhance our clients' physical appearance and mental relaxation.

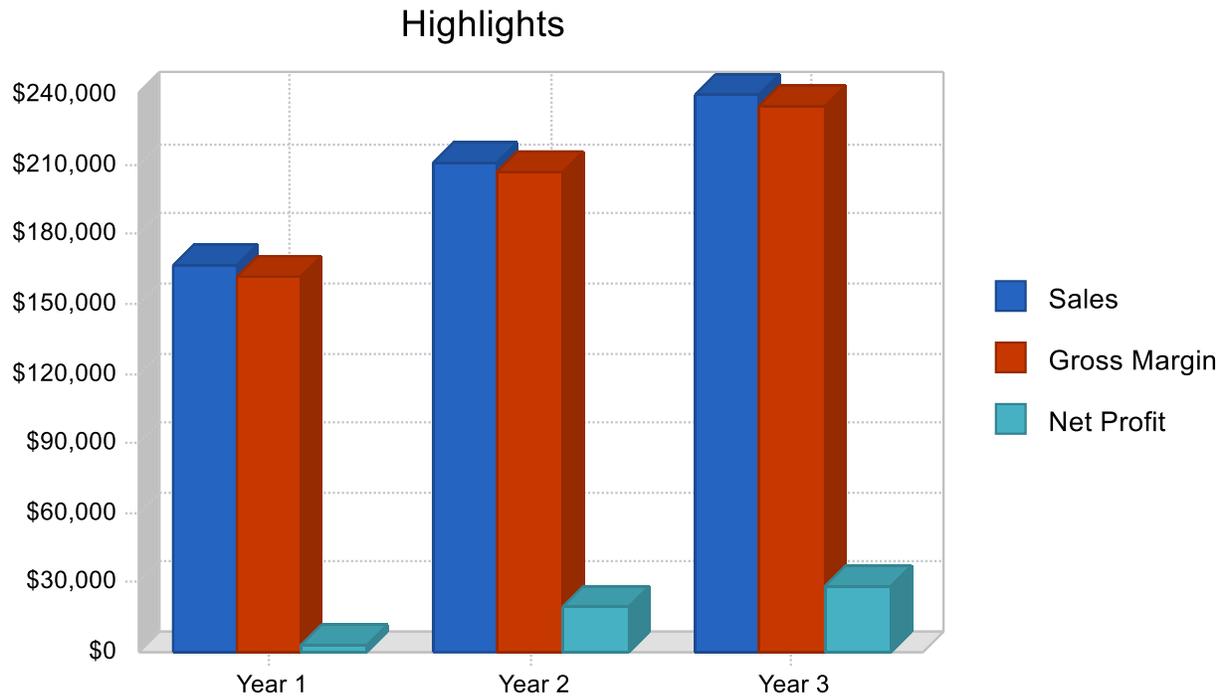
**Our Motto:** "The Trend Begins Here!"

The timing is right for starting this new venture. Patiently searching for six months for the perfect location, one was finally found. The demand from the owner's clients, as well as the ambitions of the owner to one day start her own salon, and the procurement of highly professional and qualified beauticians to support the salon, has made this business one of great potential.

Curley Comb, co-owner with Roller Comb, Jr., her husband, has worked in a prestigious, upscale salon in MyTown, Texas for the past two years. Curley has created a large client following through hard work and dedication. Curley, and her talented team of beauticians, has what it takes to make this venture an extremely successful one. We expect our growing reputation to lead to new clients and beauticians to support our anticipated growth.

To achieve our objectives, Trend Setters is seeking additional loan financing. This loan will be paid from the cash flow from the business, and will be collateralized by the assets of the company, and backed by the character, experience, and personal guarantees of the owners.

**Chart: Highlights**



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## **Keys to Success**

The keys to success in our business are:

- **Location:** providing an easily accessible location for customers.
- **Environment:** providing an environment conducive to giving relaxing and professional service.
- **Convenience:** offering clients a wide range of services in one setting, and extended business hours.
- **Reputation:** reputation of the owner and other "beauticians" as providing superior personal service.

## Company Summary

Trend Setters will, upon commencement of operations, sell a wide range of beauty services and products. We will provide quality hair, nail, and skin services, along with top lines of beauty products. What will set Trend Setters apart from the competition is our commitment to providing all of these services in one convenient location.

The salon will be located in a retail strip mall at 1234 Stylish Road, MyTown. The salon will utilize 1,540 square feet. The location is strategically situated on one of the busiest streets in MyTown. It is a high profile area, with easy access from all parts of town.

## Start-up Summary

After spending several months searching for a salon to purchase, the owners decided to start a salon from the ground up. The start-up capital will be used for the design, leasehold improvements, and equipment of the salon.

Leasehold improvements will amount to approximately \$32,500, and salon equipment will cost about \$27,000. The owner will invest \$500 for cash-on-hand at starting date.

**Table: Start-up**

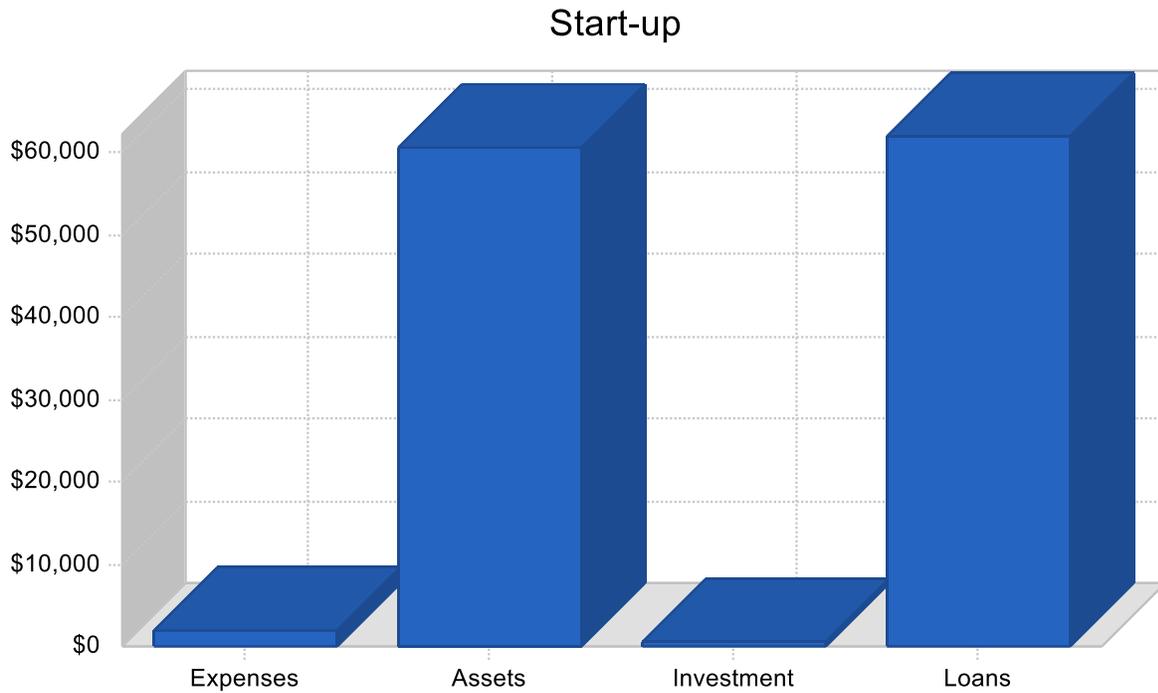
<i>Start-up</i>	
Requirements	
Start-up Expenses	
Rent deposit	\$1,817
Other	\$0
Total Start-up Expenses	\$1,817
Start-up Assets	
Cash Required	\$500
Other Current Assets	\$600
Long-term Assets	\$59,500
Total Assets	\$60,600
<b>Total Requirements</b>	<b>\$62,417</b>

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**Table: Start-up Funding**

<i>Start-up Funding</i>	
Start-up Expenses to Fund	\$1,817
Start-up Assets to Fund	\$60,600
Total Funding Required	\$62,417
Assets	
Non-cash Assets from Start-up	\$60,100
Cash Requirements from Start-up	\$500
Additional Cash Raised	\$0
Cash Balance on Starting Date	\$500
Total Assets	\$60,600
Liabilities and Capital	
Liabilities	
Current Borrowing	\$0
Long-term Liabilities	\$61,917
Accounts Payable (Outstanding Bills)	\$0
Other Current Liabilities (interest-free)	\$0
Total Liabilities	\$61,917
Capital	
Planned Investment	
Owner	\$500
Investor	\$0
Additional Investment Requirement	\$0
Total Planned Investment	\$500
Loss at Start-up (Start-up Expenses)	(\$1,817)
Total Capital	(\$1,317)
Total Capital and Liabilities	\$60,600
<b>Total Funding</b>	<b>\$62,417</b>

**Chart: Start-up**



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You won't find lenders trying to hide anything in the fine print. Our partners are committed to transparency for borrowers, so you know exactly what you're getting and how to choose the best funding for your business.

## 2. Explore 25+ Lenders and Get Impartial Advice

Our partners get their fees from lenders, not borrowers, and the fee is standardized so no lender gets an unfair advantage. This allows them to focus only on finding you the funding your business needs.

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## Products and Services

Trend Setters is considered an upscale full-service beauty salon. We will offer a wide range of services that include:

### Hair

- Cuts
- Relaxers
- Perms
- Colors
- Shampoo
- Conditioning
- Curling
- Reconstructing
- Weaving
- waving.

### Nails

- Manicures
- Pedicures
- Polish
- Sculptured nails

### Skin Care

- European facials
- Body waxing
- Massage

## Strategy and Implementation Summary

Skill at what we do, good customer service, and creating a pleasant environment for our customers will be important to implementing our business plan.

### Competitive Edge

Trend Setters wants to set itself apart from other beauty salons that may offer only one or two types of services. Having come from such a salon, Curley has realized, from talking with her clients, that they desire all of the services that we are proposing, but they remain frustrated because they must get their hair done at one place, and nails done at another. Although the focus

of Trend Setters is hair services, we do wish to offer our clients the convenience of these other services in one location.

There are a number of salons like ours, but they are mainly in the very high income parts of MyTown and surrounding areas. We do not intend to compete with these so called "Day Spas." We wish to offer a middle ground for those clients who can't quite afford those high-end luxury salons.

Our business atmosphere will be a relaxing one where clients can kick back and be pampered. Soft drinks will be offered to clients as they enter for service. Televisions will be located in the waiting and hair-drying area.

## **Marketing Strategy**

Our marketing strategy is a simple one: satisfied clients are our best marketing tool. When a client leaves our business with a new look, he or she is broadcasting our name and quality to the public. Most of our clients will be referrals from existing clients.

No major advertising campaigns are anticipated. Our research has shown that word of mouth is the best advertising for this type of business. We will, however, run specials throughout the week. We will also ask clients for referrals, and reward them with discounted or free services depending on the number of clients they bring. We will also offer discounts to the new clients who have been referred. There are plans for a lottery that will offer a free trip to, say, Cancun. A client would simply refer new clients to us, and we will place a card in a box for each client he or she brings. The more they bring, the more chances they have of winning the trip.

## **Sales Forecast**

We anticipate the highest peak on the months of November and December in our sales forecast, due to the holiday seasons. In November, there is Ramadan, and for non-muslim Malaysians and Indonesians, it means vacation time. Approximately 1.5 million Indonesians visit Singapore each year, mostly for shopping and dining. Then in December, we anticipate more tourists coming into Singapore; this explains the jumped of sales in these last two months of the year.

**Table: Sales Forecast**

<i>Sales Forecast</i>	Year 1	Year 2	Year 3
Sales			
Owner	\$49,600	\$57,040	\$65,696
Stylist #1	\$49,600	\$57,040	\$65,596
Barber #1	\$16,800	\$19,320	\$22,218
Stylist #2	\$22,800	\$25,622	\$29,465
Stylist #3	\$0	\$22,000	\$24,000
Nails and massage	\$18,000	\$20,000	\$22,000
Product sales	\$9,600	\$10,000	\$11,000
<b>Total Sales</b>	<b>\$166,400</b>	<b>\$211,022</b>	<b>\$239,975</b>
Direct Cost of Sales	Year 1	Year 2	Year 3
Product Costs	\$4,320	\$4,300	\$4,400
Other	\$0	\$0	\$0
<b>Subtotal Direct Cost of Sales</b>	<b>\$4,320</b>	<b>\$4,300</b>	<b>\$4,400</b>

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### **Chart: Sales Monthly**

Sales Monthly

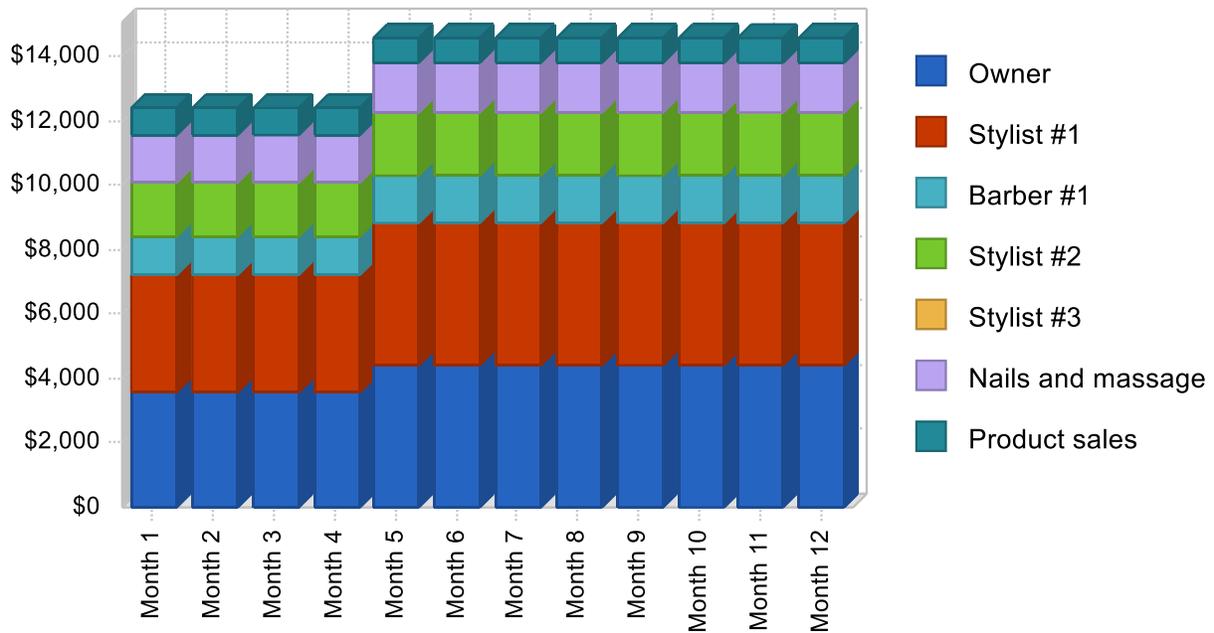
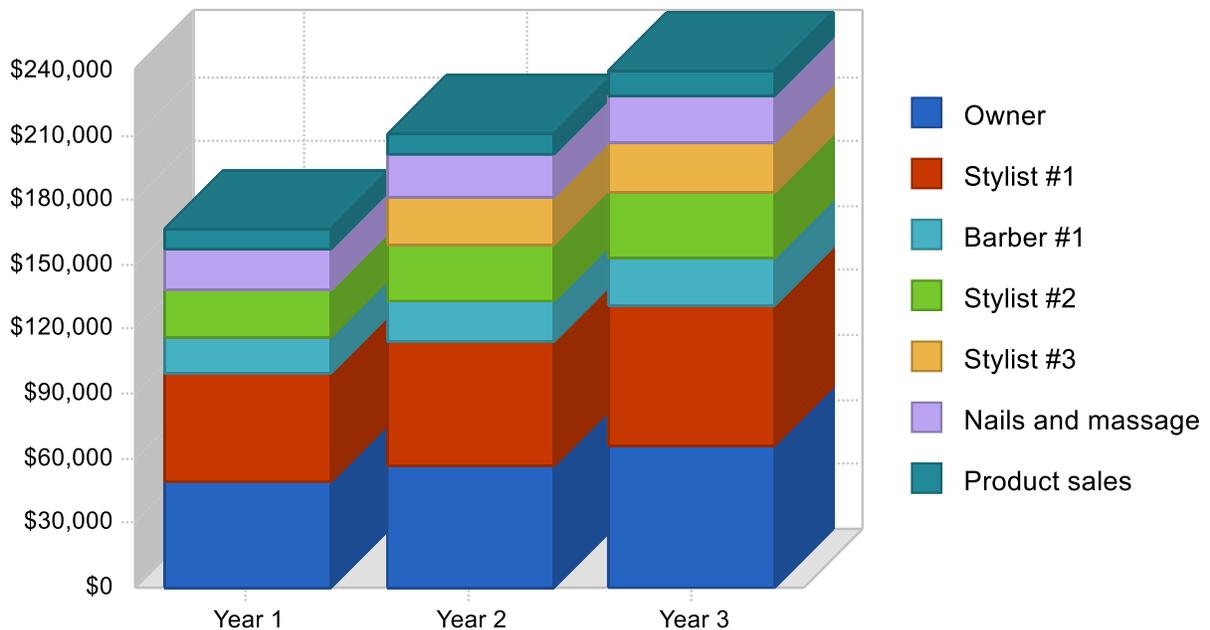


Chart: Sales by Year

Sales by Year



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## Milestones

The milestones table and chart show the specific detail about actual program activities that should be taking place during the year. Each one has its manager, starting date, ending date, and budget. During the year we will be keeping track of implementation against plan, with reports on the timely completion of these activities as planned.

**Table: Milestones**

<i>Milestones</i>					
Milestone	Start Date	End Date	Budget	Manager	Department
Sample Milestones	1/4/2008	1/4/2008	\$0	ABC	Department
Finish Business Plan	9/3/2010	10/3/2010	\$100	Dude	Boss
Acquire Financing	9/13/2010	11/2/2010	\$200	Dudette	Legumers
Ah HA! Event	9/23/2010	9/28/2010	\$60	Marianne	Bosses
Ah Merde Alors! Event	10/23/2010	10/28/2010	\$250	Marionette	Bouc émissaire
Grand Opening	11/2/2010	11/7/2010	\$500	Gloworm	Nobs
Marketing Program Starts	10/3/2010	10/28/2010	\$1,000	Glower	Marketeers
Plan vs. Actual Review	2/28/2011	3/7/2011	\$0	Galore	Alles
First Break-even Month	7/2/2011	8/1/2011	\$0	Bouys	Salers
Hire Employees	5/31/2011	6/30/2011	\$150	Gulls	HRM
Upgrade Business Plan Pro	8/19/2011	8/21/2011	\$100	Brass	Bossies
<b>Totals</b>			<b>\$2,360</b>		

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**Chart: Milestones**



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## Management Summary

Trend Setters will be organized and managed in a creative and innovative fashion to generate very high levels of customer satisfaction, and to create a working climate conducive to a high degree of personal development and economic satisfaction for employees.

Training classes to help improve employee product knowledge and skills will be conducted on a regular basis. As the business grows, the company will consider offering an employee benefit package to include health and vacation benefits for everyone.

## Personnel Plan

The personnel plan calls for a receptionist who will greet customers and receive payments for services and products. There will be five hair stylists, one barber, one nail technician, one facialist, and a massage therapist. Everyone but the receptionist will be contract workers, and will be paid a sliding commission scale based on the amount of revenue created. Future plans include the hiring of a shampoo technician as the business expands.

In the first year, assumptions are that there will only be three hair stylists, a barber, and part time nail, facial, and massage technician until the business can build a reputation that will attract others to work there.

**Table: Personnel**

<i>Personnel Plan</i>			
	Year 1	Year 2	Year 3
Owner (Stylist)	\$24,000	\$25,000	\$26,000
Receptionist	\$14,400	\$15,120	\$15,876
Shampoo Tech	\$8,000	\$12,400	\$13,000
Total People	3	3	3
<b>Total Payroll</b>	<b>\$46,400</b>	<b>\$52,520</b>	<b>\$54,876</b>

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# Financial Plan

Our goal is to be a profitable business beginning in the first month. The business will not have to wait long for clients to learn about it since the stylists will already have an existing client base.

To assure the start-up funds lender that the owners are financially stable, a personal financial statement is enclosed illustrating other sources of income that include interest and dividend income from investments (\$2,840), salary income (\$29,658), and commission income (\$15,000).

## Important Assumptions

The financials that are enclosed have a number of assumptions:

Revenues will grow at an annual rate of 15%, increasing 20% in November and December due to a historical jump in revenues at this time of year. We anticipate this increase to stay steady throughout the following year to account for the normal flow of new clients coming into the salon. Estimates for sales revenue and growth are intentionally low, while anticipated expenses are exaggerated to the high side to illustrate a worst case scenario.

We did not use cost of goods sold in our calculations of net service sales, but included all related recurring expenses, such as payroll and supplies, in the operating expenses area of the profit and loss table. The only direct costs in the sales forecast are for projected product sales.

Product sales are a minimal part of our market. We are not quite sure how much revenue will be derived from products, so we took a low-ball approach and estimated sales of \$800 a month. Also in the sales projections table are services such as nails and massages. We are not quite sure how much revenue these two services will generate. We are certain that in time these services will be a large part of our revenue, but to err on the conservative side, we estimate revenues from these services to be only \$1,500 a month for the first year.

**Table: General Assumptions**

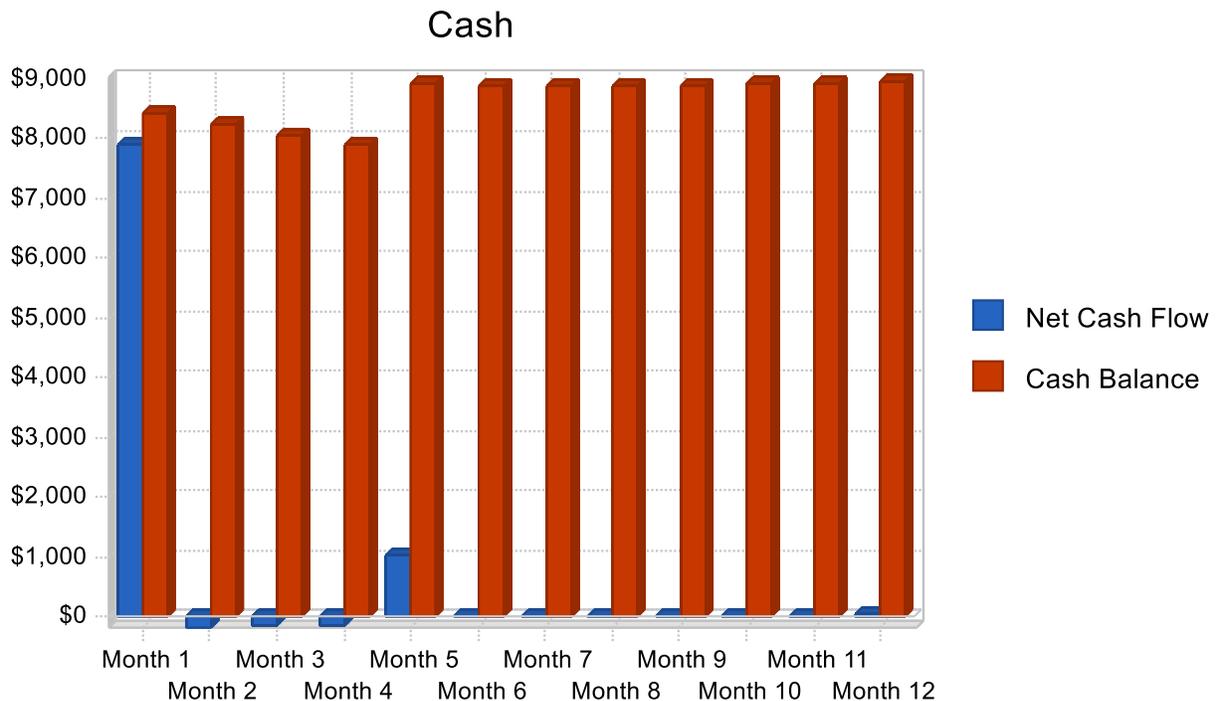
<i>General Assumptions</i>	Year 1	Year 2	Year 3
Plan Month	1	2	3
Current Interest Rate	10%	10%	10%
Long-Term Interest Rate	10%	10%	10%
Tax Rate	30%	30%	30%
<b>Other</b>	0	0	0

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## Projected Cash Flow

We expect to manage cash flow over the next three years simply by the growth of the cash flow of the business. The business will generate more than enough cash flow to cover all of its expenses.

Chart: Cash



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**Table: Cash Flow**

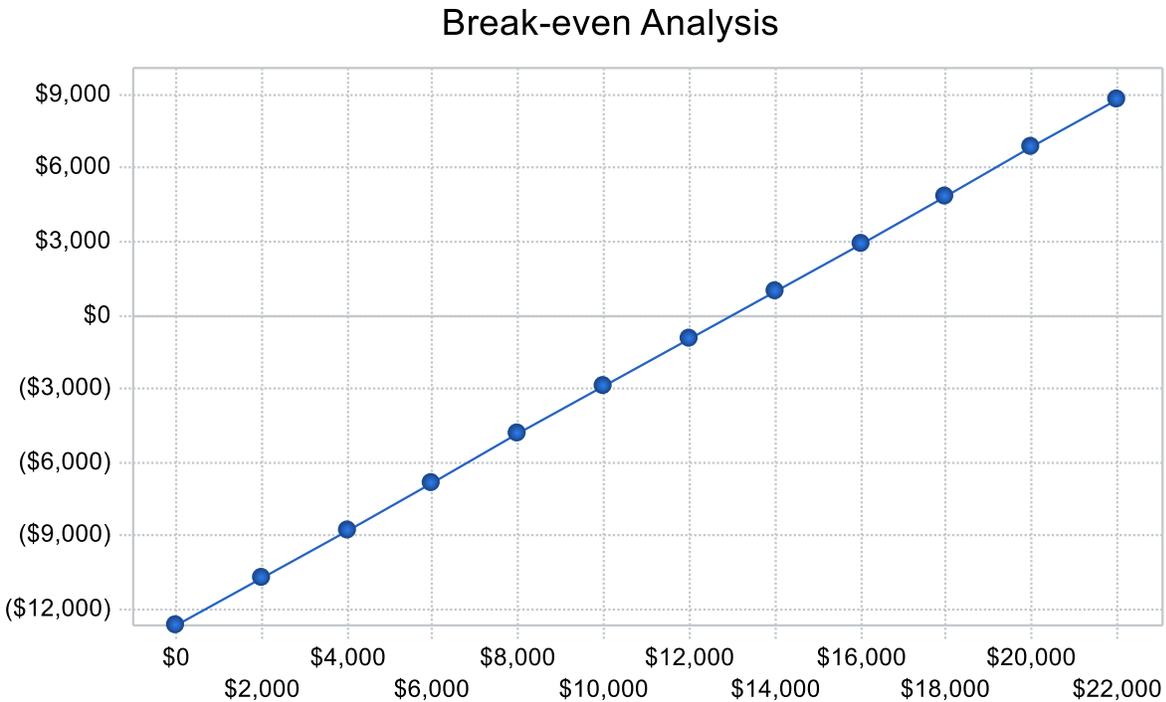
<i>Pro Forma Cash Flow</i>			
	Year 1	Year 2	Year 3
Cash Received			
Cash from Operations			
Cash Sales	\$166,400	\$211,022	\$239,975
Subtotal Cash from Operations	\$166,400	\$211,022	\$239,975
Additional Cash Received			
Sales Tax, VAT, HST/GST Received	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0
Subtotal Cash Received	\$166,400	\$211,022	\$239,975
Expenditures	Year 1	Year 2	Year 3
Expenditures from Operations			
Cash Spending	\$46,400	\$52,520	\$54,876
Bill Payments	\$99,540	\$128,730	\$147,285
Subtotal Spent on Operations	\$145,940	\$181,250	\$202,161
Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$12,000	\$12,000	\$12,000
Purchase Other Current Assets	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0
Dividends	\$0	\$0	\$0
Subtotal Cash Spent	\$157,940	\$193,250	\$214,161
Net Cash Flow	\$8,460	\$17,772	\$25,814
<b>Cash Balance</b>	<b>\$8,960</b>	<b>\$26,733</b>	<b>\$52,547</b>

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## Break-even Analysis

The break-even analysis shows that Trend Setters has a good balance of fixed costs and sufficient sales strength to remain healthy. This calculation is focused on service sales, and excludes costs related to product sales. Our conservative forecast shows the salon just passing the break-even point throughout most of the first year, but we expect actual sales to be higher.

### Chart: Break-even Analysis



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### Table: Break-even Analysis

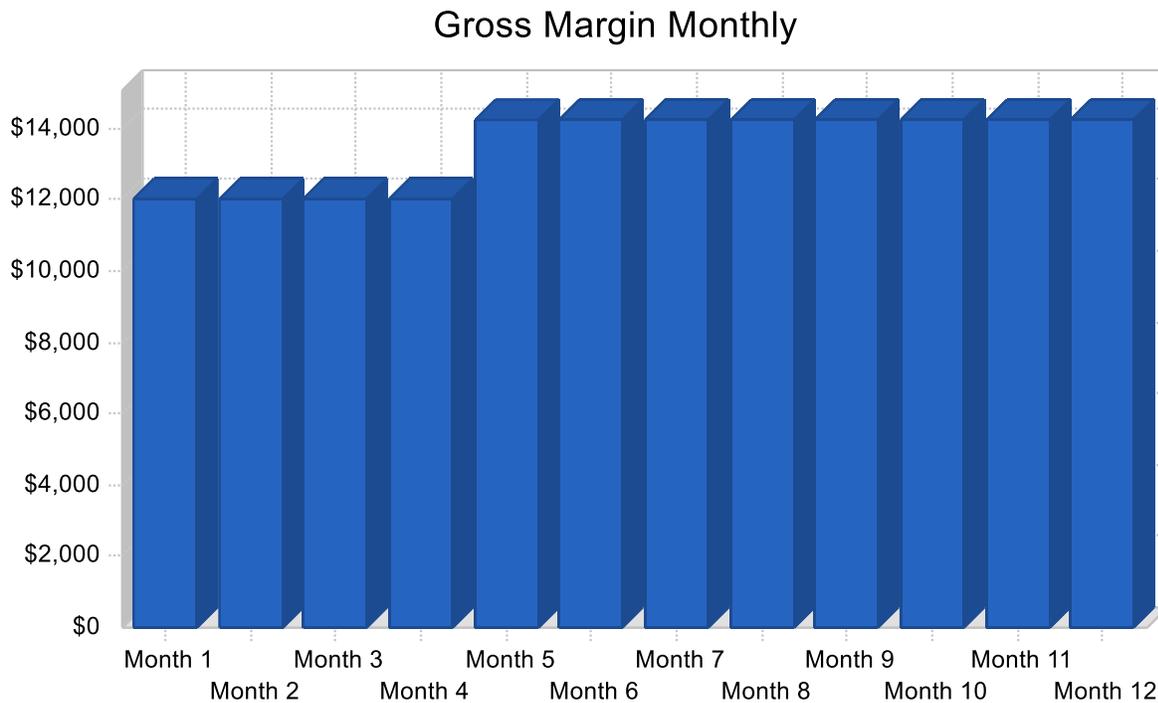
<i>Break-even Analysis</i>	
Monthly Revenue Break-even	\$12,995
Assumptions:	
Average Percent Variable Cost	3%
<b>Estimated Monthly Fixed Cost</b>	<b>\$12,657</b>

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## Projected Profit and Loss

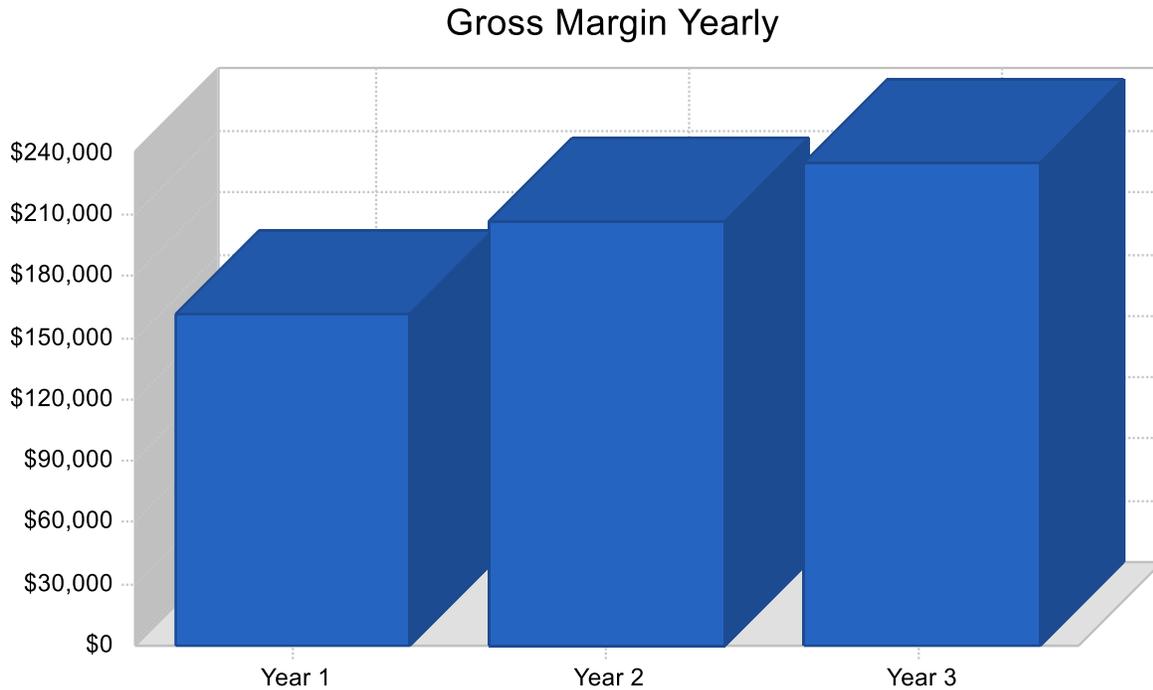
The following table shows our very conservative profit and loss projections for the next three years. The table includes the payments for all independently contracted stylists and technicians, as well for all regularly occurring supply expenses associated with service sales.

**Chart: Gross Margin Monthly**



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**Chart: Gross Margin Yearly**



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**Table: Profit and Loss**

<i>Pro Forma Profit and Loss</i>			
	Year 1	Year 2	Year 3
Sales	\$166,400	\$211,022	\$239,975
Direct Cost of Sales	\$4,320	\$4,300	\$4,400
Other Costs of Sales	\$0	\$0	\$0
Total Cost of Sales	\$4,320	\$4,300	\$4,400
Gross Margin	\$162,080	\$206,722	\$235,575
Gross Margin %	97.40%	97.96%	98.17%
Expenses			
Payroll	\$46,400	\$52,520	\$54,876
Marketing/Promotion	\$22,800	\$24,000	\$26,000
Depreciation	\$8,146	\$8,146	\$8,146
Rent	\$22,740	\$22,740	\$22,740
Utilities	\$4,200	\$4,200	\$4,200
Insurance	\$1,200	\$1,200	\$1,200
Payroll Taxes	\$0	\$0	\$0
Independently contracted stylists	\$40,400	\$55,000	\$69,000
Supplies	\$6,000	\$6,000	\$6,000
Other	\$0	\$0	\$0
Total Operating Expenses	\$151,886	\$173,806	\$192,162
Profit Before Interest and Taxes	\$10,194	\$32,916	\$43,413
EBITDA	\$18,340	\$41,062	\$51,559
Interest Expense	\$5,542	\$4,392	\$3,192
Taxes Incurred	\$1,396	\$8,557	\$12,066
Net Profit	\$3,257	\$19,967	\$28,155
<b>Net Profit/Sales</b>	<b>1.96%</b>	<b>9.46%</b>	<b>11.73%</b>

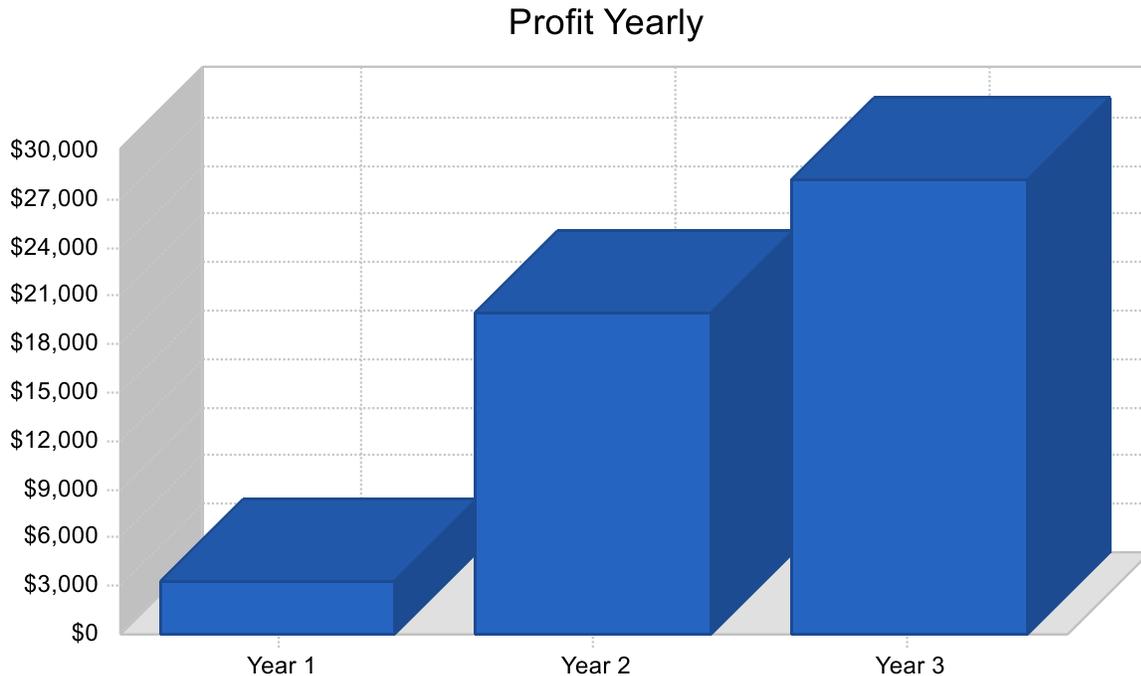
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**Chart: Profit Monthly**



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**Chart: Profit Yearly**



## Balance Sheet

As shown in the balance sheet, we expect a healthy growth in net worth.

**Table: Balance Sheet**

<i>Pro Forma Balance Sheet</i>	Year 1	Year 2	Year 3
<b>Assets</b>			
Current Assets			
Cash	\$8,960	\$26,733	\$52,547
Other Current Assets	\$600	\$600	\$600
Total Current Assets	\$9,560	\$27,333	\$53,147
Long-term Assets			
Long-term Assets	\$59,500	\$59,500	\$59,500
Accumulated Depreciation	\$8,146	\$16,292	\$24,438
Total Long-term Assets	\$51,354	\$43,208	\$35,062
Total Assets	\$60,914	\$70,541	\$88,209
<b>Liabilities and Capital</b>	Year 1	Year 2	Year 3
Current Liabilities			
Accounts Payable	\$9,057	\$10,717	\$12,230
Current Borrowing	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0
Subtotal Current Liabilities	\$9,057	\$10,717	\$12,230
Long-term Liabilities	\$49,917	\$37,917	\$25,917
Total Liabilities	\$58,974	\$48,634	\$38,147
Paid-in Capital	\$500	\$500	\$500
Retained Earnings	(\$1,817)	\$1,440	\$21,407
Earnings	\$3,257	\$19,967	\$28,155
Total Capital	\$1,940	\$21,907	\$50,062
Total Liabilities and Capital	\$60,914	\$70,541	\$88,209
<b>Net Worth</b>	\$1,940	\$21,907	\$50,062

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## Business Ratios

Business ratios for the years of this plan are shown below. Industry profile ratios based on the Standard Industrial Classification (SIC) Index code 7231, Beauty Shops, are shown for comparison.

**Table: Ratios**

<i>Ratio Analysis</i>	Year 1	Year 2	Year 3	Industry Profile
Sales Growth	n.a.	26.82%	13.72%	7.35%
Percent of Total Assets				
Other Current Assets	0.98%	0.85%	0.68%	50.11%
Total Current Assets	15.69%	38.75%	60.25%	64.74%
Long-term Assets	84.31%	61.25%	39.75%	35.26%
Total Assets	100.00%	100.00%	100.00%	100.00%
Current Liabilities	14.87%	15.19%	13.86%	21.71%
Long-term Liabilities	81.95%	53.75%	29.38%	25.39%
Total Liabilities	96.82%	68.94%	43.25%	47.10%
Net Worth	3.18%	31.06%	56.75%	52.90%
Percent of Sales				
Sales	100.00%	100.00%	100.00%	100.00%
Gross Margin	97.40%	97.96%	98.17%	100.00%
Selling, General & Administrative Expenses	95.45%	88.50%	86.43%	67.01%
Advertising Expenses	4.90%	3.86%	3.39%	2.18%
Profit Before Interest and Taxes	6.13%	15.60%	18.09%	4.59%
Main Ratios				
Current	1.06	2.55	4.35	1.97
Quick	1.06	2.55	4.35	1.46
Total Debt to Total Assets	96.82%	68.94%	43.25%	53.38%
Pre-tax Return on Net Worth	239.86%	130.21%	80.34%	8.92%
Pre-tax Return on Assets	7.64%	40.44%	45.60%	19.14%
Additional Ratios	Year 1	Year 2	Year 3	
Net Profit Margin	1.96%	9.46%	11.73%	n.a
Return on Equity	167.90%	91.15%	56.24%	n.a
Activity Ratios				
Accounts Payable Turnover	11.99	12.17	12.17	n.a
Payment Days	27	28	28	n.a

## Trend Setters Hair Studio

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Total Asset Turnover	2.73	2.99	2.72	n.a
Debt Ratios				
Debt to Net Worth	30.41	2.22	0.76	n.a
Current Liab. to Liab.	0.15	0.22	0.32	n.a
Liquidity Ratios				
Net Working Capital	\$503	\$16,616	\$40,917	n.a
Interest Coverage	1.84	7.50	13.60	n.a
Additional Ratios				
Assets to Sales	0.37	0.33	0.37	n.a
Current Debt/Total Assets	15%	15%	14%	n.a
Acid Test	1.06	2.55	4.35	n.a
Sales/Net Worth	85.79	9.63	4.79	n.a
<b>Dividend Payout</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>n.a</b>

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# Appendix

## Sales Forecast (With Monthly Detail)

Sales Forecast												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Sales												
Owner	0%	\$3,600	\$3,600	\$3,600	\$3,600	\$4,400	\$4,400	\$4,400	\$4,400	\$4,400	\$4,400	\$4,400
Stylist #1	0%	\$3,600	\$3,600	\$3,600	\$3,600	\$4,400	\$4,400	\$4,400	\$4,400	\$4,400	\$4,400	\$4,400
Barber #1	0%	\$1,200	\$1,200	\$1,200	\$1,200	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Stylist #2	0%	\$1,700	\$1,700	\$1,700	\$1,700	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Stylist #3	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Nails and massage	0%	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Product sales	0%	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800
Total Sales		\$12,400	\$12,400	\$12,400	\$12,400	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600
Direct Cost of Sales												
Product Costs		\$360	\$360	\$360	\$360	\$360	\$360	\$360	\$360	\$360	\$360	\$360
Other		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Direct Cost of Sales		\$360	\$360	\$360	\$360	\$360	\$360	\$360	\$360	\$360	\$360	\$360

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## Personnel (With Monthly Details)

Personnel Plan		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Owner (Stylist)	0%	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Receptionist	0%	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Shampoo Tech	0%	\$0	\$0	\$0	\$0	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Total People		2	2	2	2	3	3	3	3	3	3	3	3
<b>Total Payroll</b>		<b>\$3,200</b>	<b>\$3,200</b>	<b>\$3,200</b>	<b>\$3,200</b>	<b>\$4,200</b>							

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## Profit and Loss Statement (With Monthly Detail)

<i>Pro Forma Profit and Loss</i>	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Sales	\$12,400	\$12,400	\$12,400	\$12,400	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600
Direct Cost of Sales	\$360	\$360	\$360	\$360	\$360	\$360	\$360	\$360	\$360	\$360	\$360	\$360
Other Costs of Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost of Sales	\$360	\$360	\$360	\$360	\$360	\$360	\$360	\$360	\$360	\$360	\$360	\$360
Gross Margin	\$12,040	\$12,040	\$12,040	\$12,040	\$14,240	\$14,240	\$14,240	\$14,240	\$14,240	\$14,240	\$14,240	\$14,240
Gross Margin %	97.10%	97.10%	97.10%	97.10%	97.53%	97.53%	97.53%	97.53%	97.53%	97.53%	97.53%	97.53%
Expenses												
Payroll	\$3,200	\$3,200	\$3,200	\$3,200	\$4,200	\$4,200	\$4,200	\$4,200	\$4,200	\$4,200	\$4,200	\$4,200
Marketing/Promotion	\$1,900	\$1,900	\$1,900	\$1,900	\$1,900	\$1,900	\$1,900	\$1,900	\$1,900	\$1,900	\$1,900	\$1,900
Depreciation	\$633	\$683	\$683	\$683	\$683	\$683	\$683	\$683	\$683	\$683	\$683	\$683
Rent	\$1,895	\$1,895	\$1,895	\$1,895	\$1,895	\$1,895	\$1,895	\$1,895	\$1,895	\$1,895	\$1,895	\$1,895
Utilities	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350
Insurance	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Payroll Taxes	15% \$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Independently contracted stylists	\$2,700	\$2,700	\$2,700	\$2,700	\$3,700	\$3,700	\$3,700	\$3,700	\$3,700	\$3,700	\$3,700	\$3,700
Supplies	15% \$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Expenses	\$11,278	\$11,328	\$11,328	\$11,328	\$13,328	\$13,328	\$13,328	\$13,328	\$13,328	\$13,328	\$13,328	\$13,328
Profit Before Interest and Taxes	\$762	\$712	\$712	\$712	\$912	\$912	\$912	\$912	\$912	\$912	\$912	\$912
EBITDA	\$1,395	\$1,395	\$1,395	\$1,395	\$1,595	\$1,595	\$1,595	\$1,595	\$1,595	\$1,595	\$1,595	\$1,595
Interest Expense	\$508	\$499	\$491	\$483	\$474	\$466	\$458	\$449	\$441	\$433	\$424	\$416
Taxes Incurred	\$76	\$64	\$66	\$69	\$131	\$134	\$136	\$139	\$141	\$144	\$146	\$149
Net Profit	\$178	\$149	\$155	\$161	\$306	\$312	\$318	\$324	\$330	\$336	\$341	\$347
Net Profit/Sales	1.44%	1.20%	1.25%	1.29%	2.10%	2.14%	2.18%	2.22%	2.26%	2.30%	2.34%	2.38%

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## Cash Flow Statement (With Monthly Detail)

<i>Pro Forma Cash Flow</i>												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Cash Received												
Cash from Operations												
Cash Sales	\$12,400	\$12,400	\$12,400	\$12,400	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600
Subtotal Cash from Operations	\$12,400	\$12,400	\$12,400	\$12,400	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600
Additional Cash Received												
Sales Tax, VAT, HST/GST Received	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Received	\$12,400	\$12,400	\$12,400	\$12,400	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600
Expenditures	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Expenditures from Operations												
Cash Spending	\$3,200	\$3,200	\$3,200	\$3,200	\$4,200	\$4,200	\$4,200	\$4,200	\$4,200	\$4,200	\$4,200	\$4,200
Bill Payments	\$280	\$8,388	\$8,368	\$8,362	\$8,392	\$9,410	\$9,405	\$9,399	\$9,393	\$9,387	\$9,381	\$9,375
Subtotal Spent on Operations	\$3,480	\$11,588	\$11,568	\$11,562	\$12,592	\$13,610	\$13,605	\$13,599	\$13,593	\$13,587	\$13,581	\$13,575
Additional Cash Spent												
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Purchase Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Spent	\$4,480	\$12,588	\$12,568	\$12,562	\$13,592	\$14,610	\$14,605	\$14,599	\$14,593	\$14,587	\$14,581	\$14,575
Net Cash Flow	\$7,920	(\$188)	(\$168)	(\$162)	\$1,008	(\$10)	(\$5)	\$1	\$7	\$13	\$19	\$25
<b>Cash Balance</b>	\$8,420	\$8,232	\$8,064	\$7,902	\$8,911	\$8,900	\$8,896	\$8,897	\$8,904	\$8,917	\$8,935	\$8,960

## Balance Sheet (With Monthly Detail)

Pro Forma Balance Sheet													
	Starting Balances	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
<b>Assets</b>													
<b>Current Assets</b>													
Cash	\$500	\$8,420	\$8,232	\$8,064	\$7,902	\$8,911	\$8,900	\$8,896	\$8,897	\$8,904	\$8,917	\$8,935	\$8,960
Other Current Assets	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600
<b>Total Current Assets</b>	<b>\$1,100</b>	<b>\$9,020</b>	<b>\$8,832</b>	<b>\$8,664</b>	<b>\$8,502</b>	<b>\$9,511</b>	<b>\$9,500</b>	<b>\$9,496</b>	<b>\$9,497</b>	<b>\$9,504</b>	<b>\$9,517</b>	<b>\$9,535</b>	<b>\$9,560</b>
<b>Long-term Assets</b>													
Long-term Assets	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500
Accumulated Depreciation	\$0	\$633	\$1,316	\$1,999	\$2,682	\$3,365	\$4,048	\$4,731	\$5,414	\$6,097	\$6,780	\$7,463	\$8,146
<b>Total Long-term Assets</b>	<b>\$59,500</b>	<b>\$58,867</b>	<b>\$58,184</b>	<b>\$57,501</b>	<b>\$56,818</b>	<b>\$56,135</b>	<b>\$55,452</b>	<b>\$54,769</b>	<b>\$54,086</b>	<b>\$53,403</b>	<b>\$52,720</b>	<b>\$52,037</b>	<b>\$51,354</b>
<b>Total Assets</b>	<b>\$60,600</b>	<b>\$67,887</b>	<b>\$67,016</b>	<b>\$66,165</b>	<b>\$65,320</b>	<b>\$65,646</b>	<b>\$64,952</b>	<b>\$64,265</b>	<b>\$63,583</b>	<b>\$62,907</b>	<b>\$62,237</b>	<b>\$61,572</b>	<b>\$60,914</b>
<b>Liabilities and Capital</b>													
<b>Current Liabilities</b>													
Accounts Payable	\$0	\$8,109	\$8,089	\$8,084	\$8,078	\$9,097	\$9,091	\$9,086	\$9,080	\$9,074	\$9,069	\$9,063	\$9,057
Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Subtotal Current Liabilities</b>	<b>\$0</b>	<b>\$8,109</b>	<b>\$8,089</b>	<b>\$8,084</b>	<b>\$8,078</b>	<b>\$9,097</b>	<b>\$9,091</b>	<b>\$9,086</b>	<b>\$9,080</b>	<b>\$9,074</b>	<b>\$9,069</b>	<b>\$9,063</b>	<b>\$9,057</b>
<b>Long-term Liabilities</b>													
<b>Total Liabilities</b>	<b>\$61,917</b>	<b>\$60,917</b>	<b>\$59,917</b>	<b>\$58,917</b>	<b>\$57,917</b>	<b>\$56,917</b>	<b>\$55,917</b>	<b>\$54,917</b>	<b>\$53,917</b>	<b>\$52,917</b>	<b>\$51,917</b>	<b>\$50,917</b>	<b>\$49,917</b>
<b>Total Liabilities</b>	<b>\$61,917</b>	<b>\$69,026</b>	<b>\$68,006</b>	<b>\$67,001</b>	<b>\$65,995</b>	<b>\$66,014</b>	<b>\$65,008</b>	<b>\$64,003</b>	<b>\$62,997</b>	<b>\$61,991</b>	<b>\$60,986</b>	<b>\$59,980</b>	<b>\$58,974</b>
<b>Paid-in Capital</b>													
Paid-in Capital	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
<b>Retained Earnings</b>													
Retained Earnings	(\$1,817)	(\$1,817)	(\$1,817)	(\$1,817)	(\$1,817)	(\$1,817)	(\$1,817)	(\$1,817)	(\$1,817)	(\$1,817)	(\$1,817)	(\$1,817)	(\$1,817)
Earnings	\$0	\$178	\$327	\$482	\$642	\$949	\$1,261	\$1,579	\$1,903	\$2,232	\$2,568	\$2,909	\$3,257
<b>Total Capital</b>	<b>(\$1,317)</b>	<b>(\$1,139)</b>	<b>(\$990)</b>	<b>(\$835)</b>	<b>(\$675)</b>	<b>(\$368)</b>	<b>(\$56)</b>	<b>\$262</b>	<b>\$586</b>	<b>\$915</b>	<b>\$1,251</b>	<b>\$1,592</b>	<b>\$1,940</b>
<b>Total Liabilities and Capital</b>	<b>\$60,600</b>	<b>\$67,887</b>	<b>\$67,016</b>	<b>\$66,165</b>	<b>\$65,320</b>	<b>\$65,646</b>	<b>\$64,952</b>	<b>\$64,265</b>	<b>\$63,583</b>	<b>\$62,907</b>	<b>\$62,237</b>	<b>\$61,572</b>	<b>\$60,914</b>
<b>Net Worth</b>	<b>(\$1,317)</b>	<b>(\$1,139)</b>	<b>(\$990)</b>	<b>(\$835)</b>	<b>(\$675)</b>	<b>(\$368)</b>	<b>(\$56)</b>	<b>\$262</b>	<b>\$586</b>	<b>\$915</b>	<b>\$1,251</b>	<b>\$1,592</b>	<b>\$1,940</b>

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