

“Things to Consider When Starting a Salon or Barber Shop Business”

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Eight Entrepreneurial Strategies for success in every new start up business that apply to all start-up businesses.

Reading the VITAL SIGNS of the business. The breath, heartbeat and pulse of a business is measured by how well eight components are performing.

1. Credit Worthiness and Credit lines.

Personal reputation

Personal credit scores

Business credit ratings

2. A base group of loyal and “**Raving Fan**” customers.

3. Customer **Database**. Add 10 names per week.

4. **Continuous Promotions** fueling continuous sales.

The glue that holds most small businesses together for long term success, profitability, sustainability is the owners forecasting skills and a constant

5. search for more and more **UP SELLING OPPORTUNITIES**.

6. Find the kind of Profit Centers that will keep the business sustainable.

Three kinds of profit center.

A. Two or more designed to bring in lots of new traffic / customers.

B. Two or more designed to promote year around continuous business/cash flow.

C. One or more designed to create BIG TICKET SALES / CONTRACTS

We need at least 5 profit centers.

A must for financial security and year-around cash flow.

Each profit center should be marketable to targeted niche groups.

They should boost profits without boosting overhead cost.

Profit Centers

Services

Hair Salon

Airbrush Tanning

Facial

Needling / Collagen Induction Therapy

Electrolysis

Body Wrap

Eyelash Enhancement

Hydro Massage

Sauna (including infrared)

Nail Salon

Tanning Salon

Peels

Eyebrow Enhancement

Esthetician

Microdermabrasion

Body Contouring / Cellulite Reduction

LED/Microcurrent

Massage

Foot Detoxification

Wax Removal

Merchandising

Hair Products - Budget

Jewelry

Cosmetics

Lotions

Gift Baskets

Hair Products ... Top - Hot Brands

Leather

Candles

Boutique Fashion Racks

7. Attitude, most folks agree Attitude is Everything.

Often, this brings puzzled looks. In truth, people generally don't have a high level of attitude awareness. They'll know if they are hungry or if their feet hurt, but they usually don't have a good handle on their attitude.

That is a mistake because attitude is everything. It governs the way you perceive the world and the way the world perceives you.

8. BUZZ PHRASES and TERMS. Learn the language of small business.

ABCD Always be Connecting Dots

Low Hanging Fruit

CODB Cost of Doing Business

MTFI. Make Them Feel Important.

NDCP. No Demand Change Plan.

By the Way. Password to up sells.

Your present situation and future dreams?

Brand new and renting a chair from a shop owner?

New but ready to rent your own shop?

A few years experience & ready to rent your own shop?

Partner with other "artists" and rent a shop.

Goal is simply to own a shop and rent to the "artists."

Goal is to own several shops and rent to the "artists."

Buy an existing shop.

Sell my shop now.

Be able to sell my shop in the future.

The three magic words for long term sustainability.

and

By The Way.

Salon and Barber Shop - Sample Forms

Hair Salon Booth Rental Agreement

Name of Salon	
Owner's Name	
Salon Address	
Phone Number	
Stylist's Name	
Address	
Phone Number	

Rental Provisions

Stylist, listed above, is renting a booth/station from Owner, also listed above.

- The rental period will begin on **{date}** and end **{when it will end}**.
- Stylist will pay a fee of **{amount}** every **{week, month}** for this rental space.
- Payment must be made **{by a certain date, by check, etc.}**.
- Stylist will be an independent contractor, not an employee of the salon.
- Stylist will conduct his/her business during the normal business hours of the salon.
- Owner will provide **{list of what owner will provide for Stylist}**.
- Stylist will be responsible for **{anything stylist will be responsible for during the rental period}**.
- Stylist will, at all times, dress professionally and in a manner befitting the atmosphere of the salon.
- Stylist will maintain a clean and orderly workspace, free of material that may be considered offensive or inappropriate for the environment. Suitability of the material is subject to Owner's discretion.
- Stylist **{is/is not}** permitted to sublet the rental space.
- Stylist is responsible for any damage to the rental space caused by his/her customers, guests, or by himself/herself.
- This agreement is enforceable under the laws and regulations of the state of **{State}**.

• _____

signatures and dates

- credit: <https://www.printablecontracts.com>

COLOR CONSENT AND WAIVER

I am aware and understand that receiving any hair color service can, in some individuals, cause an allergic reaction. I fully understand that this reaction can occur at anytime even if I have received this service on previous occasions. I further understand that it is policy to perform a skin patch test twenty-four hours prior to all color services. I also understand that a negative skin patch test does not mean that a reaction will not still occur. I understand these risks and if I have any concerns I will seek medical advice prior to any color service.

Further, I grant, its employees and representatives, permission to color my hair and not hold them responsible for any and all adverse health reactions from this service.

NAME: _____ DATE: _____

STYLIST: _____

I ACCEPT A PATCH TEST: _____

I REFUSE A PATCH TEST: _____

PATCH TEST RESULT: _____

WITNESSED: _____

credit: <https://www.marlobeauty.com>

A business to sell. Better records, financial statements, accountability. Staffing. Training. Communicating your vision. Are the employees engaged to the business? The Dream Manager concept. Location. Traffic patterns and levels. Store front appeal. Options for diversification of product / services mix. Planned Up Selling. A primary key for greater profit and ability to liquidate to create available cash to re-invest.

Cornerstones of sustainability.

Setting Customer Expectations. Every customer gets a sincere welcoming greeting Value added enhancements. When one goes out for the weekend haircut, it's always busy and the chairs in the waiting area were almost full. Plan to keep the wait time as short as possible by having enough staff on board. Scale the business and set the right expectations for your customers so that they keep coming back. Give them a time line estimate for service.

Every customer gets a sincere welcoming greeting and time line estimate for service. When a new customer enters your business, a friendly greeting goes a long way to make them feel comfortable. You have to stress the importance to everyone on your team. Smiles are free and priceless.

Value added enhancements. Hair Cuts that are enhanced with nice touches like – warm shaving cream and a shoulder and head massage. Suggesting a trim of hair around ears and eyebrows are things that make 99% of men happy. Give the "extra" as part of the package delight customers and they'll become RAVING FANS. There is always a way to provide something over and above to delight a customer.

NC Board of Cosmetology www.cosmetology.state.nc.us

NC Board of Barber Examiners www.ncbarbers.com

Things to consider.

Your vision and balance. Balancing your: Vision. Dream. Intelligence. Energy. Skills of the trade. Business management skills. Time for work. Time for life, family, promotion of the business.

Use model, goals, budget and timelines to build your business plan.

A business model and plan are the blueprints and roadmap for your business.

Why have a business model and /or plan?

To give:

You the information needed before investing time, talents and treasure.

Your investors the information needed before investing.

A document to help your chart a course for all future years in business.

List Simple / Easy to Understand Individual Models for each component in the business.

Weekly Personal Budget Planner

+ Money Earned

+ Allowance \$ 30.00

Three Part Time Jobs

+ 10 hrs x \$ 7.50 \$ 75.00

+ 6 hrs x \$ 8.75 \$ 52.50

+ 6 hrs x \$10.00 \$ 60.00

Weekly Income ... \$ 217.50

Less Expenses < 144.75>

Balance \$ 72.75

< Money Spent >

< Lunch Money \$ 15.00 >

< Gas for car \$ 20.00 >

< Ballgame \$ 14.00 >

< Birthday Gift \$ 12.00 >

< Cell Phone \$ 9.00 >

< Clothes \$ 20.00 >

< Tire Repair \$ 15.00 >

< Sch. Project \$ 18.00 >

< Church \$ 21.75 >

Weekly Expenses \$ 144.75

Monthly – Annual Personal Budget Planner

Monthly

+ Money Earned

Weekly Income \$ 217.50 x 4 = \$870.00
 Less Expenses < 579.00>

Balance \$ 291.00

< Money Spent >

Weekly Expenses \$ 144.75 x 4 = \$ 579.00

Annual

+ Monthly Money Earned

Income \$ 291. x 12 = \$ 3,492.

Less Expenses < 2,316.>

Balance \$ 1,176.

< Monthly Money Spent >

Expenses \$ 579. x 4 = \$ 2,316.

What are the costs involved in setting up and getting started?

Obtaining a lease and local license - permit fees

Premises refit and repairs

Furniture and fixtures

Staff recruitment and uniforms

Resale products stock

Signage

Launch - Grand opening marketing funds. Working capital

Equipment and cost estimates.

Barber shop - Salon - Spa - Beauty Shop

Easy to do business model.

Earning goals. Time in the shop.

Scheduling. Pricing for different type of services.

Profit centers – revenue generators.

Listing the basic costs of doing business.

Easy to do business model. The Day at Work.

Salon stylist - operator - morning schedule.

Arrive: 8:30 AM:

9:00 – 9:45 \$ 60.00

9:45 – 10:05 \$ 20.00

10:00 – 10:30 \$ 45.00

10:30 – 11:15 \$ 85.00

11:15 – 12:45 \$ 80.00

\$ 290.00 Morning work

Salon - stylist operator - afternoon schedule.

After lunch break, re-start: 1:15 PM:

1:15 – 3:00.... \$ 60.00

3:00 – 3.30 \$ 20.00

3:30 – 4:00 \$ 45.00

4:00 – 5:15 \$ 85.00

5:15 – 6:00 \$ 80.00

6:00 - 7:30 \$ 100.00

7:30 - 8:30 \$ 90.00

\$ 480.00 Afternoon work.

Full morning schedule \$ 290.00

Full afternoon schedule 480.00

Full afternoon schedule \$ 770.00 daily revenue

Your projections:

Easy to do business model. The Day at Work.

Barber morning schedule. Arrive: 7:00 AM

7:30 – 7:50	\$ 20.00	
8:00 – 8:25	\$ 20.00	
8:30 – 8:45	\$ 18.00	
8:45 – 8:55	\$ 8.00	
8:55 – 9:05	\$ 8.00	
9:05 – 9:15	\$ 8.00	
9:20 - 10:00	\$ 40.00	
10:00 – 10:20	\$ 20.00	
10:20 – 10:40	\$ 30.00	
10:40 – 11:00	\$ 20.00	
11:00 – 11:20	\$ 20.00	
11:20 – 11:40	\$ 20.00	
11:40 – 12:30	\$ 50.00	
12:30 – 1:00	\$ 30.00	\$ 320.00 Morning work

Easy to do business model. The Day at Work.

Barber afternoon schedule.

After lunch break, re-start: 2:00 PM:

2:00 – 2:30	\$ 25.00	
2:30 – 3:00	\$ 25.00	
3:00 – 3:20	\$ 16.00	
3:20 – 3:40	\$ 16.00	
3:40 – 4:00	\$ 16.00	
4:00 – 4:10	\$ 8.00	
4:10 - 4:20	\$ 8.00	
4:20 - 4:50	\$ 40.00	
5:00 - 5:30	\$ 25.00	
5:30 - 5:45	\$ 12.00	
5:45 - 6:00	\$ 12.00	
6:00 - 6:20	\$ 16.00	
6:20 - 7:00	\$ 40.00	
7:00 - 7:20	\$ 16.00	
7:30	close	\$ 275.00 afternoon work

Barber Full schedule

Full morning schedule ...	\$ 320.00
Full afternoon schedule	\$ 275.00
Full afternoon schedule	\$ 595.00 daily revenue

Your projections: Averaging for combination comparisons.**Full schedule daily revenue**

Stylist – salon operator	\$ 770.00
Barber	\$ 595.00
Full schedule average	\$ 680.00
Real life (new business) adjustment 55% deduct	<\$ 374.00>

Adjusted:

New operator daily average revenue	\$ 306.00
Five work days9 Weekly revenue.....	\$ 1,530.00

Averaging for combination comparisons.

Five work daysWeekly revenue	\$ 1,530.00
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NC Weekly Chair Rent

Metro, Up scale, Charlotte, Greensboro, Raleigh . . .	\$200. - \$235.
Metro, neighborhood, Charlotte, Greensboro, Raleigh ..	\$165. - \$200.
Urban, Up scale	\$165. - \$200.
Fayetteville, Wilmington, Roanoke Rapids, Greenville Urban, neighborhood.....	\$115. - \$150.
Fayetteville, Wilmington, Roanoke Rapids, Greenville Towns – Rural settings.....	\$ 75. - \$100.

<Average **\$ 160.00 weekly chair rent average**>

Gross profit (weekly chair rental) estimates \$ 1,370.00

Chair Rentals vs. Shop Ownership

Gross revenues before expenses

Your services sold \$1,370. 48 weeks .. \$ 65,700.00

Shop ownership with 7 chairs

1 for owner 6 additional for rentals ..

6 x \$ 160., \$ 960.00 x 52 weeks \$ 49,920.00

Shop ownership revenue sources.

Your services sold \$1,370. 48 weeks . . \$ 65,700.00

Chair rentals, 6 x \$160., \$ 960.x52 wks .. 49,920.00

7 operators selling \$150. value products 17,640.00

weekly @ 30% profit/ \$52.50 x 7: \$367.

x 48 weeks

Gross income projections..... \$ 133,260.00

Shop ownership Annual business model creation.**Annual revenue projections:**

Services sold, c. rentals, product sells: \$ 133,260.00

Less expenses projections: < 63,900.00>

Shop lease \$ 1,100. x 12 months \$ 13,200.00

Utilities \$ 700. x 12 months 8,400.00

Business insurance 12 months 7,200.00

Marketing .. 5% of revenues 6,000.00

Payments on debt.. 7 chair stations..... 13,200.00

at \$700. ea:\$49.K,12%,60 months,

\$1100. monthly.

12% Misc. cost of doing business deducts 15,900.00

What's left Balance \$ 69,360.00

Renting a chair: **\$ 65,700.**

Owning the shop: **\$ 69.300.**

More factors to consider.

Personal expenses.
 Health insurance.
 Business vs. personal income tax.
 Book keeping expenses.
 Risk management.
 Exit planning.
 A business to sell someday.

The significant unknowns.

Number of days & hours for each work week.
 Revenue total from each client being served.
 Success with many additional profit centers.
 Shop location lease and utility cost.
 Shop location marketing factors (traffic potential).
 Number of chairs to keep rented & amount for each.
 Your leadership and risk management skills.

"Taking Care of Business".

Energizing and Implementing a new Business Plan.

Organization

Set up computer - MS Word Office software, Internet Connection, Email provider, Printer.
 Start Files:
 Planning calendar.
 Appointments schedule.
 Build database of email addresses.
 Business journal of notes, reminders.
 Budget, expenses / income records.
 Establish bank checking account.
 License & permits.
 Insurance.

Marketing

Creating Timeline to Open the Business.
List profit centers with targeted niche customer markets

Make products and services available for immediate sell.
Send out promotions. Put the "fresh bait" in the water.

Energize and Execute

Place yourself and products front of your customers.
Introduce yourself, demonstrate excitement and hunger for new business relationships.

Take on a "predator attitude" and aggressively motivate yourself to tale on the competition.

SELL

Follow up time and time again.
Get feed back and testimonials.
Add history to your business journal and database.

THANK YOU.

Disclaimer.... Summarized Free Advice

The information offered here is **general in nature**, based on years of small business experiences and observations and interactions with many thousand entrepreneurs when presenting over eight hundred seminars and helping hundreds to start new businesses over a fifty-year period of time.

Seminar and Webinars presentations do not take into account the specific and private circumstances of attendees and/or participants and **should not be acted on** without full understanding of each individual current situation, future goals and objectives by a fully qualified certified and licensed advisor. In doing so you risk making commitment to a product and/or strategy that may not be suitable to your needs.

Respectfully submitted with Best Wishes,

Anthony Steven Carver, Pres. Fast Forward Services, Inc. 360 Business Training and Consulting.

