

Royalty Hair & Nail Salon

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1.0 Executive Summary

Royalty Hair & Nail Salon is a full-service beauty and nail salon dedicated to consistently provide high customer satisfaction by rendering quality products, excellent service, and a furnishing and enjoyable atmosphere at an acceptable price/value relationship. We will strive to maintain a friendly, fair, and creative work environment, which respects diversity, ideas, and hard work.

Royalty Hair & Nail Salon is owned by Adriana Castillo, 19 years old. She is a sophomore student at New York City College of Technology majoring in business and technology of fashion. She is currently a sale associate and key holder at a shoe store.

2.0 Our Mission

To provide exceptional refined services that enhance our client's physical appearance with the help of our exceptional staff members and maintain a luxury experience.

The key to success in our business are :

Location: Providing an easily accessible and visible location for our customers.

Environment: Providing a healthy and relaxing environment along with a professional service.

Convenience: Offering our clients a variety of luxury services at affordable prices.

Reputation: The owner along with the other employees will build up a relationship with the customer and provide them great service.

3.0 Operation hours

Royalty Hair & Nail Salon will be opened from 9:00 am to 9:00 pm on Fridays and weekends. On weekdays, we will open from 10:00 am to 7:00 pm. On holidays we will be open from 9:00 to 4:00 pm.

4.0 Products

Royalty nail & hair salon will sell a variety of good quality products. We will provide hair, nail, and skin care products. Royalty will have an exclusive contract with Amway to sell great quality products for the skincare such as cleansers eye & lip care, and intensive treatments. For makeup, we will sell mascara, lip shine, lipstick, powder and make up remover, etc. We will have hair care such as hair conditioner, shampoo and body care such as soaps, body wash and moisturizer. In addition to Amway products, we will sell other brand products such as Ellie and Sally Hansen nail polish and Olay facial masks.

We will also have a contract with St. Ives, to sell natural products to our clients and meet their needs. They are 100% natural exfoliants (they are made of natural ingredients such as coconut, soybean oil, cranberry, shea butter, etc). This products will include a variety of natural products such as oil scrub, face scrub and hand and body lotion.

What will set Royalty apart from its competitors is our commitment to provide high quality and natural products to our clients at affordable price.

5.0 Services

Royalty Hair & Nail Salon is considered an upscale, full service beauty salon. We offer a wide range of services that include:

- *Hair*: cuts; relaxers; perms; colours; shampoo; conditioning; curling; reconstructing; weaving; and waving.
- *Nails*: manicures; pedicures; polish; acrylic nails
- *Skin care*: European facials; body waxing; massages.

- Eyebrows

We will offer a premium quick service for those customers that has busy routine and want to receive a quick service. The customer will be able to reserve a service through our application. However, it will be 15% higher than the regular price because they wil.

6.0 Pricing

Although Royalty will have unique services, it will be affordable. Pricing on the products will depend on the brand and quality. Our Amway skin care products will cost from \$50-\$150. The make up products will cost from \$30-\$60. Body and hair care will range from \$15-\$50. The Essie nail polish will be sold for \$12 and Olay facial mask for \$30. Our St. Ives products will be from \$10-\$20.

Our services will average \$45, with a range of \$15 for a hair trim to \$175 for a complete beauty package which includes hair, massage, facial, manicure and pedicure. The cost for regular acrylic nails will be from \$30-\$40. The cost for pedicure and manicure will be \$25-\$35. European facials will be \$40-\$50 and body waxing \$50-\$55. Our massage will range from \$50-\$100. Eyebrows will cost \$9.

We will provide different packages for hair services.

- Shampoo, conditioning, and blow-dry will be \$35.
 - Haircut, shampoo, conditioning, blow-dry and color will be \$55.
 - Keratin treatment, shampoo, conditioning and blow-dry will be \$100.
 - Highlights, shampoo, conditioning and blow-dry will be \$70.
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7.0 Start-up plan

Our business will request a loan of \$50,000. The cost for start-up is \$80,000. Start- up expenses will account for about \$43,000 and includes legal fees, rent, insurance deposit and remodeling. The remaining \$37,000 will be attribute to establishing assets.

8.0 Market

Lately, the beautification industry is economically stable. However, our market share is on the rise with an increase in disposable income as more women join the workforce. Industry trends show that as time becomes more limited, people want faster, easier and more economical services all in one location. Customers are more educated and more demanding of quality service. Our market area includes the city of Brooklyn and surrounding communities. This will include a target population of 4000-6000 people who fit our customer profile. We will be located in a commercial area composed of many other similar business which has been there for years.

9.0 Competitive Summary

Royalty Hair & Nail Salon wants to set itself apart from other beauty and nail salons that may offer only one or two types of services. We want our customers to provide our clients all type of services in one location. There are many competitors around the area. They are Top Nail and Spa, Pink Nail Spa Inc., R.J Nails, Liberty Dominican Hair stylist, Nails 168 Inc., and Rea Beauty Salon.

Our business atmosphere will be a relaxing one where clients can kick back and be pampered. Coffee, soft drinks and snacks will be offered in the waiting area. A television and magazines also will be placed there as the clients waits to receive the service. Our location is a great advantage for us because it is situated in a corner which makes it more visible for all walking people and traffic to see it.

We will also a premium quick service. Our clients will have the chance to use our app to reserve any service.

10.0 Internal marketing

When visiting our business, our customers will have the opportunity to register with their information to become part of our rewards program in which they can obtain points every time they visit our business and purchase a product or service.

11.0 Advertising

Our business will be promoted through social medias such as Facebook, Instagram, and Twitter. In addition to that, it will also be promoted by handing out flyers in other businesses and by the area. It will include a promo discount for the first visit. We will also be sending online flyers to families/ friends in order to create word-of-mouth advertising and create awareness of the business. On the weekdays (Monday- Thursday), we will offer \$5 off of \$40 and above or service or products purchased.

On the second week after our business has opened, we will have have a grand opening in which we will hand out some of our product samples along with a flyer.

12.0 Customer profile

Our target market will be:

- Women
- Between the ages of 19 and 49
- Annually income levels \$25,000 to \$55,000
- Typically employee full time/ or college student
- Looking for a convenient location

Although we focus on women as our target market, men are also welcome to come and get a haircut, manicure, pedicure, etc.

13.0 Location

Royalty Nail & Hair Salon will be located in 1171 Liberty ave, brooklyn NY 11208. It is 980 ft² and it will be will be located in one of the main streets in Brooklyn and consist of a high volume of transit and shoppers. With this advantage, people might not take long to get to see and know our business.

14.0 Employment overview

In the first year, we will have seven employees in total including myself. Two of them will be full-time stylist and two full-time nail technician, one part-time stylist, one full-time facial and massage technician. When the business build a reputation and relationship with the customers, we will hire more employees. Although it is recommendable for a person to have her certificate on stylish at the time of hiring, training classes will be offered to help improve their knowledge on a regular basis. As the business grows, the company will consider offering an employee benefit package with health and vacation benefits.

15.0 Regulations

Our business will be operated in strict guidance with the health and dress codes, particularly when working with customers. All employees will be expected to be always on time and treat customers with respect and amiability. All lunch breaks will be 45 minutes from 12:00 am to 12:45.

16.0 Business structure and legal terms

Royalty hair & Nail Salon will have an S corporation structure. Its location will be leased through a commercial real estate agent and agree to a net lease in which the landlord charges a lower base rent, plus some usual costs. The lease will be a 5- years lease with the option to renew it. The monthly rent amount will be \$6,000. Our legal team will be composed of a well-known attorney company, Buchwald & Associates, who will provide our business all the help necessary to successfully fulfil all the business legal terms. Iryna Stepanchuk, CPA. will provide help with the accounting issues.

17.0 Community involvement

At Royalty Nail & Hair Salon, we plan to help our community by providing a small amount of jobs. We will also donate 1% of our profit to charities in our community. Sustainability in our community is also a priority for our business. We will set up a green team in which everyone

will get a voice on creating and maintaining a sustainable environment. They will not only reduce the amount of energy and electricity wasted but also create sustainable plans.

18.0 Long and short term goals

Our long term goal is to create and maintain a relationship with the customers as well as the employees as well to receive at least 97% positive customer feedback regarding the service provided and experience in our business. Our short term is to double revenue by the end of second year.

19.0 Action plan

Royalty Nail & Hair Salon will be opening on on July, 2017 once the finances are received. On our first three months, we expect to service approximately 147 customers weekly, an average of 21 people a day. The daily average sale for each customer will be \$40 which would equal to \$5,880 weekly. Monthly sales will be \$23,920 including \$400 of products sold. The total sales for the first three months will be \$71,760. After the 3rd month, we expect to increase the monthly sale by 10% would be equal to \$6,468 of weekly sales and \$25,872 monthly. 1st year revenue would be 304,608.

20.0 Five years projected income statement

	2017	2018	2019	2020	2021
Revenue	<u>305k</u>	<u>350k</u>	<u>440k</u>	<u>580k</u>	<u>600k</u>
Payroll	80k	90k	100k	100k	100k
COGS	75k	80k	85k	89k	95k
Rent	72k	72k	75k	75k	80k
Marketing	5k	4k	2k	2k	1k
Utilities	15k	18k	20k	25k	27k
Note	20k	20k	20k	20k	20k
Insurance	15k	15k	15k	15k	15k
Other	5k	6k	6k	7k	7k
Total	287k	305k	323k	331k	350k
Net profit	18k	45k	137k	209k	250k
Net %	(5.9%)	(12.9%)	(29.8%)	(38.7%)	(41.6%)