

Juanna's Place A Woman's Sanctuary.

MKT 2327: Entrepreneurship

Final Business Plan

By: Leilani Morell

12/11/2024

1. Letter of Introductions

a. Dear [Loan Officer/Bank Manager],

Regarding my request for a business loan, I am excited to present my business plan for a unique and culturally inspired beauty and wellness establishment called Juanna's Place. My proposed business model involves leasing a brownstone building and establishing an all-in-one beauty-enhancing establishment and lounge named "Juanna's Place." This name reflects my Puerto Rican heritage and the strong tradition within Caribbean and other minority communities of relying on word-of-mouth referrals for beauty services. The informal, familiar nature of phrases like "I have a friend who..." signifies trust and establishes a loyal clientele base. After careful deliberation, "Juanna's Place" was selected as the business name.

- i. **Education:** Bachelor's degree in Business of Fashion
- ii. **Internship Experience:** Assisted a small business with marketing and email newsletter increasing the brand's target audience. Closely learning the navigation involved with owning a small business.
- iii. **Managerial Experience:** My previous occupation involved independence and self reliability being solely responsible for meeting sales goals and maintaining the small business during operational hours. This work also allowed me to gain small business knowledge in order to assist my own potential business to grow.
- iv. **Bank Relationships:** Maintained a strong 6-year banking relationship with [Navy Federal].
- v. **Estimated FICO Score:** 740.
- vi. **Down Payment:** \$60,000 available for renovations and operating capital.
- vii. **Loan Request:** We are borrowing \$300,000 for five years at 5% to complete renovations and establish Juanna's Place.

I look forward to discussing how this venture will bring value to our community and generate sustainable profits.

Sincerely,

Leilani Morell

2. Business Description

- a. Juanna's Place is a vibrant and inclusive beauty and wellness hub inspired by the cultural richness of Caribbean and Black households.
 - i. The lounge (bar/cafe) - basement

1. The lounge was added for another level to the comfortability, this lounge will be a cafe/bar. This layer is to nurture our target audience creating an environment that clients can visit, before appointments, after appointments, in between 2 appointments, and even on days without one. The lounge is intended to be a safe haven for women. With the increase of violence against women on a global scale we have used the establishment to fulfill a niche need. The lounge will be only for women and the infamous rule will be that cis/heterosexual men will only be allowed in if vetted by a female companion. Men will only be allowed into the establishment by being vouched for by a woman. This rule is for a plethora of reasons. The establishment is called Juana's Place it plays off of the theme of being invited into someone's home so Men will have to be vouched by a woman before going into their "friend's home." This lounge is created to be a safe space where clients do not feel the need to guard themselves from the opposite gender.
- ii. First floor - Nail Salon
 1. Due to this service being our business' most frequent service, we have placed the nail salon on the ground floor with an average price point of \$80 per guest.
- iii. Second Floor - Hair Salon
 1. The second floor will be the hair salon. Due to this salon being an inclusive environment, we will only have hairdressers that will be able to work on all hair types.
- iv. Third Floor: Lashes, eyebrows, and makeup studio.
 1. The third floor is going to be dedicated to facial enhancements
- v. Fourth Floor: Rental rooms for estheticians offering waxing, laser treatments, and skincare services
 1. The fourth floor will be dedicated to rental rooms offering a multitude of services.
 - a. The fourth floor has the most rooms (4 rooms) within the building. To increase sales we will be renting this out to estheticians with numerous clientele. This has a dual purpose, to increase the clientele of the business and assist the estheticians with a business that supports and sells their services for them.
- b. Competitive Advantage: One-stop beauty and relaxation experience with high-quality services, cultural authenticity, and a safe atmosphere.

- c. Competitors: Local beauty salons, chain establishments, and freelance beauty professionals.
 - i. There are a few nail salons and hair salons within the surrounding area, but we intend to surpass the competition with our niche fulfillment. Sometimes it takes women all day to complete their upkeep simply from having to travel from appointment to appointment. Our establishment also ensures the safety of our clientele while consuming Alcohol and enables them to have a space to feel comfortable taking care of themselves throughout the floors without having to travel throughout all of New York for their services and beautification.
 - 1. competitors :
 - a. Sogho Express Hair Braiding #1 - 24-hour hair salon
4.7/5 stars and 1000 + reviews
 - b. The nail salons within the area do not have a lot of ratings
 - d. Legal Structure: New York State S-corp
 - i. The reason we chose to do an S corporation is due to the following information we learned. “Small companies can use this structure to avoid the double taxation mentioned above. The S corporation does not pay tax on profits. Profit is taxed only once, as owner income on personal tax returns. This structure requires all owners to take profits and losses in proportion to their ownership (thus it does not offer the tax-shelter advantages of the limited partnership).”
 - e. Lease: Secured 5-year lease with a 5-year tenant option.
 - i. Our location is [“Four Story Community Use Facility Limestone Building in the heart of Stuyvesant Heights in Bedford-Stuyvesant.”](#) for 12,385 a month
 - f. Online Store Plans: Full e-commerce functionality to sell beauty products and book services.
 - g. Website Structure: User-friendly, highlighting services, pricing, staff bios, and an easy-to-use booking system.
 - h. Equity Partners: None at this time.
 - i. Mission Statement: To exceed the client’s expectations in every aspect of the business communication
3. Marketing Mix:
- a. Product/ Services and Price
 - i. The lounge (cafe/bar) - basement
 - 1. The lounge was added for another level to the comfortability, this lounge will be a cafe/bar. This layer is to nurture our target audience creating an environment that clients can visit, before appointments, after appointments, in between 2 appointments, and

even on days without one. The lounge is created to be a safe haven for women. With the increase of violence against women on a global scale we have used the establishment to fulfill a niche need. The lounge will be only for women and the infamous rule will be that cis/heterosexual men will only be allowed in if vetted by a female companion. Men will only be allowed into the establishment by being vouched for by a woman. This rule is for a plethora of reasons. The establishment called Juana's Place is playing off of the theme of being invited into someone's home so Men will have to be vouched for by a woman before going into their "friend's home (the venue)." This lounge is created to be a safe space where clients do not feel the need to guard themselves from the opposite gender.

- a. Various Liquor Beverages
 - i. Drinks \$25 - \$50
 - ii. Bottles \$100 - \$1000
 - b. Various Wine Selection
 - i. Glass \$17 - \$35
 - ii. Bottles \$100 - \$1000
 - c. Coffee
 - i. Coffee \$7 - \$14
 - ii. Espressos \$3 - \$12
 - iii. Caffeinated beverages \$7 - \$14
 - d. Various snack beverages
 - i. Charcuterie board \$35
 - ii. French Fries \$20
 - iii. Chicken Poppers \$30
 - iv. Bread Board \$25
- ii. First floor - Nail Salon
1. Due to this service being our business' most frequent service, we have placed the nail salon on the ground floor with an average price point of \$100 per guest. Our services will be the following:
 - a. Gel Manicure...\$35
 - b. Acrylic...\$40
 - c. With tips \$55
 - d. Extendo tips \$75
 - e. Gel Polish \$5
 - f. With design \$15 - \$30
 - g. PolyGel...\$60
 - h. Extendo length \$80

- i. With design \$15-45
 - j. Pedicure ...\$30
 - k. French Pedicure \$35
 - l. Gel Pedicure \$35
 - m. French Gel Pedicure \$45
 - n. Deluxe Pedicure \$50
 - o. Pedicure with design \$50 - \$55
 - p. Acrylic Pedicure \$60
- iii. Second Floor - Hair Salon
 - 1. The second floor will be the hair salon. Due to this salon being an inclusive environment, we will only have hairdressers that will be able to work on all hair types.
 - a. Silk Press
 - i. \$55-\$95
 - b. With cut
 - i. \$75-\$115
 - c. Cut with curly styling
 - i. \$105 - \$250
 - d. Hair coloring
 - i. \$150- \$ 350
 - e. Highlights
 - i. \$150 - \$400
 - f. Hair Gloss
 - i. \$75 - \$ 95
 - 2. The cost of braiding services can vary depending on the type of braid, its length and size, and the salon you choose. Here are some average prices for different types of braids:
 - a. Faux locks:
 - i. \$240-\$650
 - b. Senegalese twists:
 - i. \$130-\$260
 - c. Cornrow braids:
 - i. \$30-\$125
 - d. Crotchet braids:
 - i. \$20-\$120
 - e. Box braids:
 - i. \$140-\$230
 - f. Knotless braids:
 - i. \$200-\$650 or more
- iv. Third Floor: Lashes, eyebrows, and makeup studio.

1. The third floor is going to be dedicated to facial enhancements
 - a. Lashes
 - i. New: \$75 - \$125
 - b. Refill:
 - i. \$50 - \$75
 - c. Eyebrows:
 - i. Threading: \$20
 - ii. Threading and tint: \$30
 - d. Makeup:
 - i. Natural: \$65
 - ii. Bridal: \$75
 - iii. Glam: \$75 - \$100
- v. Fourth Floor: Rental rooms for estheticians offering waxing, laser treatments, and skincare services
 1. The fourth floor will be dedicated to rental rooms offering a multitude of services.
 2. The fourth floor has the most rooms (4 rooms) within the building. To increase sales we will be renting this out to estheticians with numerous clientele. This is a dual purpose, to increase the clientele of the business and assist the estheticians with a business that supports and sells their services for them.
 - a. Room One will be a masseuse room separated by a fake wall into three small separate rooms (\$1,350 each)
 - b. Room Two will be dedicated to laser treatments in two small individual rooms (\$1,450 each)
 - c. Room Four will be for Esthetician dedicated to skincare and facials (\$1,550 a month)
 - d. Room Five will be for minor beauty enhancement such as filler, botox, and minimally invasive cosmetic procedures. (\$1,500 a month)

b. Place

- i. Our location is [“Four Story Community Use Facility Limestone Building in the heart of Stuyvesant Heights in Bedford-Stuyvesant.”](#) for 12,385 a month

1. Bedford-Stuyvesant Use Building – Elevator & Divisible Spaces!

The four-story limestone building is located in the heart of Stuyvesant Heights, Bedford-Stuyvesant. The building features three floors of rooms that were previously classrooms, one floor of

administrative offices, an elevator, and a basement. The location is highly convenient, with proximity to the A & C subway lines (and nearby J, M, and LIRR), as well as bus routes 46, 25, 26, and 15. The property is situated between Jefferson Avenue and Hancock Street, with major thoroughfares such as Atlantic Avenue, Fulton Street, Utica Avenue, Gates Avenue, and Broadway nearby.

The building includes two half-bathrooms on each floor (total of 8) and a finished basement with a warming kitchen and an additional half-bath. The kitchen could potentially be renovated into a full kitchen if the business continues to be operateable. The property also features front and rear will be made additional space to hold and survive clients on all floors, and a small outdoor space at the rear used as additional space for the bar/ cafe during the warmer months.

The space is available for lease, with a minimum lease term of 3 years, we will be leasing for 5 years

2. ****Approximate square footage:****
 - a. - Rear stair area: 109 SF per floor
 - b. - Floors 1-4: 1,006 SF each
 - c. - Basement (Cellar): 995 SF
 - d. - Total (excluding rear stair area): 5,019 SF

c. Promotion and Marketing Strategies:

- i. Social Media Campaigns and Collaborations
 1. We will be partnering with certain influencers on social media to increase brand awareness and giving them monthly discounts on maintenance (mostly floors 1, 2, and 3)
- ii. Community events (with various promotional discounts throughout)
 1. Poetry, Jazz events
 2. Paint and sip events, Art auctions
 3. Holiday events (July 4th, New Year, Mother's Day, Valentine's Day, etc. - not Christmas or Thanksgiving)
- iii. Loyalty Programs
 1. We will have an extensive loyalty program for all services and monthly memberships on certain services for a discounted rate. (Ex: waxing services, certain hair services, nail services, and lash services)

- a. We will also give discounts to promote our services and venue, such as connecting with us on each and every social media platform, subscribing to our email newsletter, and engaging in customer service surveys.
 - b. For buying salon products and having them shipped to reoccurring clients.
- d. Target Market:
- i. Urban professionals aged 21-45.
 - ii. Predominantly women but inclusive of all genders except cismale guests due to precautionary measures and comfortability for guests (the venue will have the same rules as the bar).
 - iii. Young women seeking affordable yet high-quality beauty services.
 - iv. Busy professionals who value convenience and a one-stop shop for self-care.
 - v. Residents of culturally diverse neighborhoods who resonate with the heritage-inspired theme of Juanna’s Place.
 - vi. Small business owners and freelancers who seek networking opportunities in the lounge bar and café.
 - vii. Individuals prepare for events, such as weddings, graduations, and other celebrations where beauty services are essential.
- e. Slogan:
- i. "Juanna's Place: Your Self-Care Sanctuary—All Your Beauty and Relaxation Needs, All in One Place.
- f. Website: The Website will feature beauty products used in the salon and services
- i. Website Mockup:



g. Logo (Full and Initial 2):



i.



ii.



iii.

h. SWOT Analysis On Business:

i. Strengths:

1. A unique concept combining beauty and wellness with a social lounge experience.
2. Comprehensive services under one roof (nails, hair, makeup, skincare, and café/bar).
3. Strong cultural branding that resonates with diverse demographics.
4. Prime location in a vibrant neighborhood with easy access to public transit.
5. Guarantee revenue from rented rooms for esthetician services, while giving us an increase in clientele

ii. Weaknesses:

1. High startup costs due to renovation and equipment investments.
2. Limited brand recognition as a new entrant in a competitive market.
3. Dependence on consistent customer traffic to maintain profitability.
4. Potential challenges in managing multiple service areas (beauty, café, rentals).

iii. Opportunities:

1. Growing demand for self-care and wellness services.
2. Ability to tap into event-focused markets (weddings, graduations, corporate events).
3. Expansion potential with branded product lines (beauty and skincare).
4. Strategic partnerships with local influencers, event planners, and businesses.
5. Increased community engagement through hosting events or pop-up shops.
6. The niche market of servicing as a women's sanctuary and lounge has the potential to increase popularity and make the location a hub for women of all shapes and sizes, creating comfortability and unity.

iv. Threats:

1. Economic downturn impacting disposable income for luxury services.
2. Intense competition from established salons and DIY beauty trends.
3. Potential staffing challenges, including retaining skilled professionals.

4. Regulatory risks related to health, safety, or licensing for beauty and food services.

i. SWOT Analysis on Self:

i. Strengths:

1. I am passionate and have cultural Insight. I'm deeply connected to my cultural roots, and I've infused that authenticity into the concept of Juanna's Place. This connection allows me to create a brand that resonates with my community and target audience.
2. I have extensive marketing and business-building Expertise, along with a degree. My academic experience in the business of fashion and marketing gives me an edge in crafting creative marketing campaigns to enhance and increase brand awareness, understand customer preferences, and position Juanna's Place as a go-to destination.
3. I have a clear vision of what Juanna's Place should be—a sanctuary for women to enjoy self-care, socialize, and access all their beauty needs in one place. This motivates me to bring the concept to life successfully.
4. I will have Financial Preparedness. I've will \$60,000 to invest in this dream, which demonstrates my commitment to making Juanna's Place a reality.

ii. Weaknesses:

1. I have limited Managerial Experience in Large Operations. Although I've managed a small business before, overseeing a multi-service business like Juanna's Place will require me to learn and grow in operational management.
2. I have High Financial Risk. Taking out a \$300,000 loan for this project is a significant financial commitment. I know I'll need to be diligent in managing cash flow and achieving profitability quickly.
3. It has a Complex Business Model. Juanna's Place combines a beauty salon, café, and esthetician rentals, which adds complexity to day-to-day operations. Balancing these elements will be a challenge.
4. Possible Time Constraints due to the extensive labor. With other personal and professional commitments, I need to ensure I have the bandwidth to give Juanna's Place the attention it deserves.

iii. Opportunities:

1. Connecting with Underserved and Under-represented Communities. I see a chance to serve Caribbean and Black

households with a business model that celebrates our culture. This is something I'm passionate about and excited to bring to life.

2. I can also explore collaborations with influencers and local businesses to build visibility.
3. Tapping into a Growing Industry. The wellness and self-care market is booming, especially post-COVID-19. With the increase of violence against women within the New York tri-state area this environment evolving both beautification and relaxation serves as a hub for women's tranquility. Juanna's Place can meet the demand for high-quality, convenient services and relaxation.
4. It has Expansion Potential. As Juanna's Place grows, I can introduce branded products or consider opening additional locations. It could also lead to a potential spa as a second location.

iv. Threats:

1. Competition:: The beauty industry is competitive and standing businesses serve as a threat including beauty businesses that are open 24/7 (as previously mentioned).
2. Economic downturns could impact my customers' ability to spend on services this in turn can affect reinvesting into the business.
3. Managing health and safety regulations for both the beauty and café aspects of Juanna's Place will require diligence and attention to detail.
4. I'm aware that launching and managing Juanna's Place could be overwhelming at times. I'll need to prioritize self-care and build a supportive team to avoid burnout.

| Five-Year Income Statement | | | | | | |
|----------------------------|----------------------|------------------------|-----------------------|----------------|-------------|--|
| Year | Revenue | Expenses | Net Profit | Net Profit (%) | ROI | |
| 2024 | \$1,200,000 | \$1,200,000 | \$0 | 0.00% | 0% | |
| 2025 | \$1,400,000 | \$1,320,000 | \$80,000 | 5.70% | 22.22% | |
| 2026 | \$1,600,000 | \$1,440,000 | \$160,000 | 10.00% | 44.44% | |
| 2027 | \$1,800,000 | \$1,560,000 | \$240,000 | 13.30% | 66.67% | |
| 2028 | \$2,000,000 | \$1,680,000 | \$320,000 | 16.00% | 88.86% | |
| Revenue Breakdown: | | | | | | |
| Category | Daily Revenue (2024) | Monthly Revenue (2024) | Annual Revenue (2024) | | | |
| Lounge bar and café | \$1,000 | \$30,000 | \$360,000 | | | |
| Nail salon services | \$800 | \$24,000 | \$288,000 | | | |
| Hair salon services | \$1,000 | \$30,000 | \$360,000 | | | |
| Lash and Eyebrow Service | \$200 | \$6,000 | \$72,000 | | | |
| Rental (esthetician rooms) | \$330 | \$10,000 | \$120,000 | | | |
| Total | \$3,330 | \$100,000 | \$1,200,000 | | | |
| Expense Breakdown: | | | | | | |
| Category | 2024 | 2025 | 2026 | 2027 | 2028 | |
| Payroll | \$400,000 | \$420,000 | \$460,000 | \$500,000 | \$540,000 | |
| COGS | \$140,000 | \$160,000 | \$180,000 | \$200,000 | \$220,000 | |
| Loan Payments | \$76,578 | \$76,578 | \$76,578 | \$76,578 | \$76,578 | |
| Rent | \$148,620 | \$148,620 | \$148,620 | \$148,620 | \$148,620 | |
| Marketing | \$50,000 | \$55,000 | \$60,000 | \$65,000 | \$71,422 | |
| Supplies | \$46,822 | \$46,802 | \$48,802 | \$49,380 | \$51,380 | |
| Insurance | \$24,000 | \$24,000 | \$24,000 | \$24,000 | \$24,000 | |
| Utilities | \$22,000 | \$24,000 | \$24,000 | \$24,000 | \$24,000 | |
| Total | \$1,200,000 | \$1,320,000 | \$1,440,000 | \$1,560,000 | \$1,680,000 | |

4. Five-Year Income Statement

- a. Since there is a high start-up cost we have not only implemented a 5-year income statement but the revenue and expense breakdown.
 - i. With rent being \$12,385 monthly it is \$148,620 annually
 - ii. Payroll will be 400,000, this is one of our initial weaknesses, I found it important to try to pay my staff as best as I could. I will have 10 people on staff at \$40,000 annually (all tips will be theirs) on the basement level, floor one, floor two, and floor three.
 1. Three employees on the basement level - Cafe
 2. Three employees on floors one - one admin and two nail technicians (with room for more)
 3. Two employees in the hair salon
 4. Two employees on the lash and eyebrow floor
 5. This is the minimum amount of staff we have in hopes that renting out the Esthetician rooms result in a demand for more labor.
 - iii. With a note of \$300,000 for five years. The future value of the loan will be $\$300,000 \times 1.2763 = \$ 382,890$.
 1. The note will be \$76,578 annually and \$6,381.50 monthly
 - iv. With the initial investment in total being \$360,000 (\$60,000 down payment and \$300,000(bank loan)) we will not see a return on investment till year 2 and will not have 100% ROI till 2029
 - v. Marketing Expense starts at \$50,000 for collaborations, events, and advertising. We might also hire an intern to assist in our marketing to save on hiring official personnel.
- b. We also made budget plans to ensure that we meet our goals in revenue
 - i. Estimate the number of customers per day per floor:
 - ii. Basement (cafe): 30 customers spending an average of \$33.34 each = \$1000.20/day.
 - iii. First Floor (Nail Salon): 10 customers spending an average of \$80 each = \$800/day.
 - iv. Second Floor (Hair salon): 10 customers spending an average of \$100 each = \$1000/day
 - v. Third Floor (Lashes, Eyebrows & Makeup): 10 customers spending \$20 each = \$200/day.
 - vi. The esthetician rooms should be bringing in \$10,000 a month in rent.

5. Goals and Exit Strategy

- a. Goals:
 - i. Year 1: Achieve break-even and establish a loyal customer base.
 - ii. Year 2: Hire Interns to assist with marketing and administration
 - iii. Year 3: Enhance services and increase staff.

- iv. Year 5: Renovate Cafe into a full-service restaurant
- b. Exit Strategy:
 - i. Long-term growth: Continue operations to see full ROI in 2029 and make the cafe into a full-service restaurant
 - ii. Open New Businesses connected to Juanna's place (Juanna's Bathhouse & Spa - A women's Sanctuary)