

**Czech University of Life Sciences Prague**  
**Faculty of Economics and Management**  
**Department of Economics**



**Bachelor Thesis**  
**Business Plan for a Beauty Centre in Ufa City**

**Gorbunova Olga**

**© 2018 CULS Prague**

# CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Faculty of Economics and Management

## BACHELOR THESIS ASSIGNMENT

Olga Gorbunova

Business Administration

Thesis title

**Business plan for a Beauty Centre in Ufa City**

---

### Objectives of thesis

The objective of the thesis is aimed at economic evaluating of planning and other management processes. Also to identify and summarize all business activities which are needed to run such a project, as well as how to set-up a labor force within the project. A financial analysis will be also shown to apprehend the occupation of the project.

### Methodology

The aim of this project was to identify the efficiency of the business plan, it shows different aspects of the thesis such as:

- financial plan
- marketing plan
- SWOT analysis
- socio demographic portrait

Strict rules and regulation are written down in order to follow a legislative commission.

The practical part indicates the inner side of the business, functionality and stability. To develop theoretical part there will be used professional publications, textbooks, books and websites dealing with business plans in such an industry, it will deal with the description of Beauty Salon, as well as that will focus on tables and graphs, which will be made in MS Word and Excel. The thesis will include descriptive and comparative research of the other hairdressing salons.

**The proposed extent of the thesis**


40 pages

**Keywords**

business plan, beauty centre, promotion, marketing.

---

**Recommended information sources**

- A.U. Utkin and L.V. Kochetkova < Business plan> 1998.  
B.M. Finer , book – The skilled hairdresser. Kiev, 1996  
N.P. Gribalev and I.G. Ignatev – Business plan and its practical implementation. S.P, 1994.  
Stutely, R. 2001. The Definitive Business Plan: The Fast-track to Intelligent Business Planning for Executives and Entrepreneurs. Edinburgh: Pearson Education Limited.  
Tsipsis, K. & Corianopoulos, A. 2009. Data Mining Techniques in CRM: Inside Customer Segmentation. New York: Wiley.
- 

---

**Expected date of thesis defence**

2017/18 SS – FEM

**The Bachelor Thesis Supervisor**

Ing. Petr Procházka, Ph.D., MSc

**Supervising department**

Department of Economics

Electronic approval: 13. 3. 2018

**prof. Ing. Miroslav Svatoš, CSc.**

Head of department

Electronic approval: 13. 3. 2018

**Ing. Martin Pelikán, Ph.D.**

Dean

Prague on 15. 03. 2018

## **Declaration**

I declare that I have worked on my bachelor thesis titled " Business Plan for a Beauty Centre in Ufa City" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the bachelor thesis, I declare that the thesis does not break copyrights of any their person.

In Prague on \_\_\_\_\_

Gorbunova Olga \_\_\_\_\_

## **Acknowledgement**

I would like to thank Ing. Petr Procházka, Ph.D., MSc, for the given lectures with a perfect explanation. Also, valuable materials that have been considered in my thesis, which helped me a lot in writing the whole project with use of all micro and macro-economic aspects.

# **Business Plan for a Beauty Centre in Ufa City**

## **Summary:**

The thesis is aimed at discovering the inner business structure and its activities and creating new job positions. How properly structure a team of specialists, set-up a marketing plan, choose the right location for that sort of business.

It is also necessary to follow sanitary rules and regulations, which are shown in the thesis. Payback period is predicted to be within the next 2 years.

Conducting an analysis of the risks and possible threats facing the organization, as in present time, and in the future, SWOT analysis has been done to overview all the influential aspects on the business from different angles.

**Keywords:** business plan, beauty centre, marketing, promotion, sales, services, hair.

# Podnikatelský plán pro Centrum Krásy ve městě Ufa

## **Souhrn:**

Práce je zaměřena na objevování vnitřní obchodní struktury a jejích aktivit a vytvoření nových pracovních pozic. Jak správně strukturovat tým specialistů, nastavit marketingový plán, zvolit správné místo pro tento druh podnikání.

Je také nutné dodržovat hygienické předpisy a předpisy, které jsou uvedeny v diplomové práci. Doba návratnosti se předpokládá v příštích 2 letech.

Analýza rizik a možných hrozeb pro organizaci, jak v současnosti, iv budoucnu, provedla SWOT analýza, která provedla analýzu všech vlivných aspektů podnikání z různých úhlů.

**Klíčová slova:** obchodní plán, cetnrum krásy, marketing, propagace, prodej, služby, vlasy.

## **Picture list**

<b>Picture 1</b> SWOT ANALYSIS .....	24
<b>Picture 2</b> SWOT-analysis .....	40

## **Table list**

<b>Table 1</b> Financing of the project (self- reserch) .....	34
<b>Table 2</b> The main investment and financial indicators of the project (self- reserch).....	35
<b>Table 3</b> Tha staff (self- reserch) .....	36
<b>Table 4</b> Calculation for one master .....	37
<b>Table 5</b> Profit calculation by max/min occupancies per month.....	37
<b>Table 6</b> Price-list of services by Beauty Salon.....	39
<b>Table 7</b> An assessment of the severity of the consequences and possible measures to prevent them are given.....	41

## **Graph list**

<b>Graph 1</b> The socio-demographic portrait .....	34
<b>Graph 2</b> Calculation for one master.....	38



## Content

1. Introduction .....	10
2. Goals and Methodology .....	11
2.1 Goals.....	11
3. Theoretical Part. How to write a business plan .....	12
3.1 CV.....	14
3.2 The main sections, rules and principles of the Business Plan .....	14
3.3 Nuances of building a financial model.....	16
3.4 10 things you can't write in a business plan.....	19
3.5 History of one bankruptcy .....	20
3.6 SWOT ANALYSIS .....	23
3.7 Business plan for Beauty Centre .....	28
3.7.1 What is the Beauty Centre (BC)? .....	28
4. Practical Part. Business plan for opening the Beauty Centre in Ufa city- .....	30
4.1 Summary .....	30
4.2 Company description.....	31
4.3 Market analysis .....	31
4.3.1 Demand.....	31
4.4 Marketing plan.....	32
4.5 Investment program.....	34
4.6 Financial plan .....	36
4.8 Measures of risks .....	41
5. Sanitary and anti-epidemic regime. Requirements for carrying out hairdressing works and rules of personal hygiene in the beauty center.....	42
5.1 Medical examination of personnel and admission to work.....	43
6. Conclusions.....	44
7. Bibliography.....	46

## 1. Introduction

The thesis is devoted to the most important aspect of the management activity of an enterprise in a market economy - a business plan that in the world practice is the basis for assessing the prospects of newly created enterprises or new products.

Particular attention is paid to the structure and content of business plans, marketing methods used in business planning and methodology for assessing the effectiveness of business projects.

In general, the plan is a working tool for achieving the set goal by the entrepreneurial entity created on the basis of a short-term forecast of the business environment and painted by executors, time and money. It should be noted that the plan isn't the goal, it is a method of achievement the goal.

**Important!** Planning should be carried out by present or future leaders of the company, that is, those people who are not afraid to take responsibility for the implementation of the business plan. But this does not mean, of course, that you do not need to use the services of consultants and experts in this field. However, for its compilation, consulting firms take decent amounts, starting somewhere from 2 thousand USD to 40 thousand USD. But you can make it yourself, bearing the minimum costs. Being involved in this work personally - you not only model your future activity, but also believe in the fortress of yourself, and the plan itself.

Correctly drawn up business plan is not only the key to the heart of the investor, but also a pledge that your enterprise will successfully develop. There are only two basic tips for drawing up a plan. Do not try to download a ready business plan from the Internet - use ready-made templates, but ponder and write everything yourself. You need to be ambitious, but do not embellish reality. Of course, there remain a lot of subtleties and details - in which we will deal in detail in this diploma. And also, we will try to create a correct and complete business plan that can be implemented.

"Plans are dreams of knowledgeable people" Ernst von Feichtersleben (English scientist, philosopher, literary critic).

## **2. Goals and Methodology**

### **2.1 Goals**

The purpose of the thesis is: analysis and assessment of the market, identifying the needs of consumers, comparing competitors' companies, identifying their disadvantages and advantages, add a few special services that customers would benefit from. Also make a stable market position and be competitive with the similar institutions, stand out among all of them by marketing and promoting Beauty Centre's services in a special way which is vividly described in the thesis. The main goal though, to have a profitable organization with the best team of specialists and make it prominent by giving a quality and unique service.

### **2.2 Methodology**

The aim of this project was to identify the efficiency of the business plan, it shows different aspects of the thesis such as:

- Financial plan
- Marketing plan
- SWOT analysis
- Socio-demographic portrait.

Strict rules and regulation are written down in order to follow a legislative commission.

The practical part indicates the inner side of the business, functionality and stability. To develop theoretical part there will be used professional publications, textbooks, books and websites dealing with business plans in such an industry, it will deal with the description of Beauty Salon, as well as that will focus on tables and graphs, which will be made in MS Word and Excel. The thesis will include descriptive and comparative research of the other institutions.

### **3. Theoretical Part. How to write a business plan**

A business plan is a structured planning document that describes the direction of business development (business units of the company). This is a convenient, generally accepted form for acquaintance of potential creditors (investors) with a project in which they are invited to participate.

The business plan reflects those activities that the company plans to engage in the near and long term. At the same time, it is necessary to take into account the influence of external factors that an enterprise cannot influence:

1. Inflation, unemployment rate, consumer purchasing power, interest rate for credit, etc.
2. Political, natural, scientific and technical factors, and so on.

Any management is based on certain rules. For example, budget management is built on the basis of accounting and management accounting rules. The rules of accounting are regulated by government regulations. The rules of management accounting in Russian, for example, enterprises are currently regulated only by internal corporate documents.

The business plan has a big role in the financial management system. Therefore, it should contain a section of the main indicators of the financial and economic state of the enterprise; Section on the objectives of the enterprise, quantified, and the timing of their achievement. Based on the adopted business plan, formed taking into account the analysis of the financial and economic state of the enterprise, decisions are made and made in the management system of its financial resources.

A competently drawn up business plan fulfils three important tasks. First, it means managers have common goals. Secondly, when thoughts are laid out on paper, there is an opportunity to take a closer look and reflect on the feasibility of the project. "A business plan is a kind of rehearsal, a chance to realize possible problems without losing money," says Mike McKeever, author of "How to Write a Business Plan". Finally, the business plan should attract professional investors, who only have enough time to glance through the projects they offer.

Creating a clear business plan requires reflection, time and money. You can order it to some organization. Most often entrepreneurs receive from consultants a 30-40 page document that does not disclose even the most basic questions: what does the enterprise do and where does the profit come from.

Investors do not like this kind of business plan. "If, after reading the first few lines, the essence of the business plan remains unclear, this is a bad sign," said Jim Caspari, CEO of The Venture Alliance, who advises start-ups who want to attract venture funds. Not only is the slender concept important. "You should explain in several sentences what competitive advantages this project has in its field, because I need to know exactly how you are going to succeed. Most business plans do not do this," continues Caspari.

In an effective business plan, it should necessarily be told what the value of the project is, why people will want to pay for this product or service, how much money will be needed to start, what are the opportunities for growth, what are the risks and how the entrepreneur plans to deal with them, who are competitors, who are partners, who are the team members. It is necessary to include in it and a detailed description of all sources of income and expenditure. The essential question: what profit will it bring? And more importantly: when will the enterprise start to generate revenue? Therefore, the business plan requires a section containing the latest financial indicators (if the company is operating) or forecasts.

**The business plan should always be short and capacious.** True, sometimes, in order to reveal the essence of the problem, it is made quite profound in content. The recommended volume: 30 - 70 pages, no more. And all additional materials are desirable to make in the annex to the business plan.

**Remember!** It is important to provide dosage information.

Here are the main points that you will need to provide:

1. **Annotation (up to 1 page)** - a written request for senior management.
2. **CV (1-3 pages)** - basic information, for acquaintance with the business plan.
3. **Business plan (45-60)** - for detailed study of the project by investors and experts.

Having polished your plan to shine, you do not need to send it to dust in the back box. "A business plan is just the beginning of a process," warns Berry. - Planning the activities of the enterprise is like driving a vessel into the sea: you need to constantly adjust the course. The plan itself is of little value. It's important to go back to it and see where you were wrong and what it cost you. <sup>1</sup>

---

<sup>1</sup> Forbes.ru 2010, "How to write a business plan?"

### **3.1 CV**

Your business should always start with conclusions, you write them in the last place, but they should be the very first point of your business plan. A resume is the result of a business plan already written. This is the only part that most potential investors read.

- The purpose of the business plan.
- The need for finance, for what purposes they are needed.
- Short description of the business and its target customer.
- The main differences from competitors.
- Key financial indicators.

### **3.2 The main sections, rules and principles of the Business Plan <sup>2</sup>**

#### **Title page and content**

Start with the main: company name, address, phone number and contact information of all founders, as well as a table of contents throughout the document. The volume of the business plan, ideally, should not exceed 30-40 pages, together with all the necessary applications.

#### **Introduction**

On no more than two pages, list all the most important. First, tell us what is the value of the project: what will your company do, what profits to have and why people will want to pay for your product or service. If you send a plan to investors, tell us about the capital you will need and how you plan to use it. To emphasize the essence, you need to imagine the picture, therefore, it is better to start this part after the completion of the entire plan.

#### **Market opportunities**

Explain to whom you will sell your product or service and why this group of consumers is attractive to you. It is necessary to answer several key questions. How big is the market? How fast does it grow? What are the opportunities for growth and potential threats? How will you cope with them?

---

<sup>2</sup> Blackwell E., "How to make a business plan." M., 1996.

Most of this information can be found through industry websites and media, official statistics, analyst reports and even from other businessmen. Be sure to specify the source of the information - in case you are asked to confirm your applications or you will need to update the data.

### **Market Review**

Do not be mistaken, your enterprise is not unique. Try to look soberly and evaluate opponents. Who are they? What do they sell? What part of the market does it take? Why would customers prefer your product or service, not them? What obstacles can arise when entering this market? Do not forget about indirect competitors, who are still working in another segment, but have similar capabilities and can compete with you later.

### **Team**

Execution is almost as important as the idea itself. Therefore, investors are interested in who is in your team. Attach a CV of all founders, partners and managers: what are their skills and achievements. If the firm has several shareholders, explain why you chose such partners (all CVS's should be in the application).

### **Business model**

This section includes a detailed description of all sources of income (sales of the product, services) and the cost structure of the company (payroll, rent, maintenance costs). Make sure that you mentioned and justified all possible incomes and expenses. In addition, include the names of the main suppliers and buyers. In fact, this section is the production plan of the future company.

### **Financial indicators and forecasts**

If you have a current business, attach a profit and loss statement, a balance sheet and a statement of cash flows for the year. Then make a forecast for all three parameters at least three years in advance. Also provide an analysis that shows how soon the initial investment will pay off.<sup>3</sup>

---

<sup>3</sup> Forbes.ru 2010, "How to write a business plan?"

## **Risks**

Do not wait for misfortune to find out how your enterprise will cope with it. Work out possible scenarios: worst, best and average. Make sure you have enough money to survive any storm.

## **Sources of funds and their use**

If you are trying to get money from investors, they will want to know how you plan to dispose of the capital. In this section, you should indicate the estimated costs for the launch: premises, purchase of new equipment, design of the company logo, etc. Most entrepreneurs underestimate the cost of starting a new business. Therefore, conduct a study in advance, before contacting investors.

## **Applications**

A good business plan only briefly describes the basics of the enterprise, so at the end you need to attach all the necessary documents. This can include a summary, creditworthiness information, market overview, schemes, promotion plan, copies of contracts, including lease, letters of guarantee from future clients, patent and trademark registration certificates, partnership agreements, company registration certificate.

### **3.3 Nuances of building a financial model.**

#### **How to build a financial model when writing a business plan**

The time when it was possible to go to the investor with a descriptive business plan for fifty pages, has passed. At one point, the development bank was so tired of such documents that it posted its demands on the business plan and the financial model on its website. Now, detailed financial information is an important part of any business plan. But many entrepreneurs who have been doing business for more than a year, the fact that the financial model should be created in the Microsoft Excel format, still puzzles. At the request of Forbes, Dmitry Kovalev, senior manager of corporate finance at PricewaterhouseCoopers, highlighted several nuances that must be borne in mind when building a financial model and writing a business plan.



1. Banks prefer that in the financial model, three forecast forms were submitted - balance forecast, profit and loss forecast, forecast of cash flow statement. If in your business plan one of the forecasts is missing, most likely, you will have to correct it.
2. The forecast should be compiled for at least the entire payback period of the project. Tables in the business plan should be better broken down, which will be preserved for all calculations (for example, quarterly).
3. Bankers have more confidence in calculations of earnings, which are supported by qualitative market research, as well as letters and preliminary agreements with potential buyers on company letterhead, indicating the purchase volume (copies should be given in the Appendix). If there are no such agreements and the goods are illiquid, specific, your revenue forecast will be under big question. The same is with the forecast for costs. It is better to attach letters about preliminary agreements with suppliers.
4. Mono-products are rare, usually the articles (drivers) of the proceeds are several. You need to understand your product range well and calculate the revenue forecast for each of the products, giving the total amount at the output. For example, the business centre leases not only offices, but also space for shops, cafes, storage space. The rental rates for all these categories are different. The same can be said about almost any business, whether it is an oil refinery or a retail store.
5. You need to understand the nuances of pricing in the market where you are going to work. If we are talking about hotels, then in the business plan there cannot be a 100% occupancy, no one will believe. Better to break the occupancy into different categories of rooms (in suites it can be 10%, and for ordinary numbers - 70%). It is also worth considering that some of the rooms you will sell with corporate discounts, etc.
6. Most often miscalculate three scenarios (scenario analysis), business development and constitute a basic, optimistic and pessimistic forecast. Sometimes a sensitivity analysis or probabilistic methods, such as the Monte Carlo simulation method, are used to calculate the revenue forecast.

7. If there are any possible specific risks to the project, banks are welcomed if the business plan covers this topic and lists the instruments with which the enterprise hedges the risks.
8. The main requirements for calculating costs are reasonable detail, realism, attention to operational and capital costs, which must be calculated for the entire forecast period. If you are planning long-term growth, check if this capacity allows. Otherwise, bankers will immediately ask you, and where the capex is to expand production.
9. Cash flow calculations should reflect the operating cash flow (how much money came from buyers, how many went to the suppliers' accounts), investment (what is spent for the acquisition of new assets or planned to gain from the sale of available assets) and financial (body of credit, dividends, increase of the authorized capital).
10. When calculating the operating cash flow, the turnover of goods, delays / differences in both the receipt of money from buyers, and possible own delays should be taken into account - this the businessman must know from previous experience or from an analysis of the activities of competitors. Calculations on taxes should be done especially carefully.
11. The balance, which is obtained at the end of the year in the forecast of cash flows, should correspond to what is stated in the article in the balance forecast. If they do not converge, this is alarming. When checking its own financial model, it is desirable to make sure several times that the model functions correctly, substituting various assumptions and verifying that assets are equal to liabilities, there are no negative cash in the balance line, and so on.
12. There are no hidden sheets in Excel, there are no residual calculations on the margin. If three years of capex costs 5 rubles, and in 2013, suddenly the 1.1 coefficient is taken from somewhere, it is necessary to explain that planned repairs are planned. All assumptions entered in the model should be indicated on the sheets of assumptions, so

that bankers can use their own assumptions when checking the financial model and their numbers and check the model itself.<sup>4</sup>

### **3.4 10 things you can't write in a business plan<sup>5</sup>**

*Tips from the director of corporate project management program full-time MBA School Skolkovo:*

1. Description of existing products and services. Homework needs to be done - but do not overdo it! A lot of business plans have an unreasonably large size. If the potential investor does not "enter" the topic in the first few pages, the next fifty will not help.
2. Information about the "members of the management team", which in fact is not included in it. People either work together with you and are part of the team, or not. Be careful with "consultants" - investors often express a desire to communicate with them, so make sure that they are aware of your business. And another thing: contrary to popular belief, potential investors often read biographies first, and not an analytical note, because they invest in people, not in business plans. So try to characterize your team members honestly.
3. Phrases such as "no competition", "product (service), which has no analogues", "a huge market", "ease of implementation." Competition is always present, as are the chances for the existence of similar products or services. A huge market can be only a short time, and the implementation of a business project is never simple.
4. Marketing plans suggesting that your idea is ready to be bought by anyone, whenever and at any price. Be based on realistic assumptions!
5. Bloated or false biographies of founders, board members, etc. Be truthful!

---

<sup>4</sup> Blackwell E., "How to make a business plan." M., 1996.

<sup>5</sup> Popov V.M., "Collection of business plans with comments and recommendations." M., 1999.

6. Expressions like financing are promised or discussed. Either you have already agreed on funding (and received funds) or not. There is no third.
7. Financial forecasts with breakdown only by years. Make a monthly forecast for the first year, separately showing initial financing and operating costs, and then quarterly breakdown by 3-5 years. Show how and when the return of funds will be provided for the success of the project. Investors are interested in the return on their investments, not your incomes. Show when the money is returned to them.
8. Insufficiently detailed analysis of the market. If you can not measure the market in quantitative terms, in terms of prospects, customers, market share and so on. E., It means that you do not fully understand the situation in this market.
9. Approximate operating costs. If you are going to manufacture and sell a product or service yourself, you must imagine all costs-direct, indirect, permanent and variable, as well as outsourcing costs, if you plan to involve other organizations.

And finally, the main point, which in no case can not be included in the business plan.

10. Financial indicators that form a curve in the form of a hockey stick. The J-shaped revenue curve, falling at the beginning of the project and growing unlimited in the future, looks unrealistic and suggests that you do not understand the characteristics of the competitive environment, the situation on the market and the alignment of forces. If your business idea is so good, someone will probably try to copy it. Consider it! Customers will come and go, competitors will appear and disappear, and your incomes will not grow forever. It's a wonderful dream, but in life it does not happen!

### **3.5 History of one bankruptcy**

10 questions that an entrepreneur should ask himself, so as not to overwhelm the project, as the author of this article. (President of Kramer Communications, teaches at the Wharton Business School and the National University of Singapore)

In the early 1990s, I was temporarily appointed publisher of two regional monthly journals. They both do not go out anymore. It was a time of daring - and one of the most useful lessons in my life.

The first was a business magazine, and the second - about art. They shared only investors who forcibly married them and settled them under one roof. These geniuses (including your columnist) believed that they could save by combining marketing and distribution services. Editorials did not try to merge because they did absolutely different things.<sup>6</sup>

Until then, the only kind of journalistic activity familiar to members of the board of directors was reading magazines. I had an idea of the publication of newspapers, but, as is known to every media veteran, newspapers and magazines, especially monthly ones, have little in common. For example, advertising pages in magazines are reserved earlier, and money is collected much later than in newspapers, and operating expenses eat up all the cash.

Smart, experienced people with good connections took part in our enterprise, but this did not save us. Why? No one bothered to study the fundamental laws of the journal business, no one asked the right questions. Everyone was absorbed in making profit.

Here are 10 questions that we should ask ourselves - and which every businessman should constantly ask himself:

- What is the meaning of your business? Many enterprises have clear goals at the beginning of the journey, but over time their products, services and markets are changing. The magazine about art was created as the first edition in Philadelphia, writing exclusively about the theatre, opera, ballet and symphonic music. The business magazine competed with a lot of newspapers and magazines, so his goals were vague. Was it local Forbes writing about big companies? Or regional Inc., which tells about small entrepreneurs? The editor decided to write about everything at once, and readers could not figure out what they were reading.

- Who is your target audience? The audit of the business magazine was made by top managers, to whom we sent it for free, that is, precisely those people whom advertisers wanted to "plunge". The magazine on art cooperated with a local radio station and considered its audience to be its audience. But, since we did not know either the real age or the income of our

---

<sup>6</sup> Dashkov L.P., Tyutyukina E.B., "How to succeed in business." M., 1993.

readers, we had difficulty negotiating with advertisers. Needless to say, it is much easier to trade great ideas when their buyer is known.

- Why do people need your product? We are too often tempted by the thought that everyone will love a thing that we like. This is a fatal path. We did not conduct any research to find out who even suspects our existence. We never once asked potential readers what they would like to see in the magazine. Never in my 25 years of experience did I seem to see that the enterprise that directly communicates with its customers and sells to them what they are asking for is ruined.

- Is there enough demand to support a profitable business? Despite the fact that Philadelphia has a philharmonic, ballet, theatres, jazz clubs, the residents of the city did not need a magazine dedicated exclusively to art. When the cooperation with the radio station stopped, we did not have enough readers to attract advertisers.

- What do competitors think? If we gave ourselves the trouble to inquire about the activities of competitors, we would have noticed that one of the competitors of the business magazine came up with an interesting advertising move. The answers of professional accountants, lawyers and consultants to readers' questions were published as advertisements - they were willing to pay for recognition. Whatever you sell, you must constantly invent something new.

- Can you reduce costs without impairing quality? Six weeks after the appointment, I found out that by reducing the density of paper and abandoning the glossy cover, you can save a breakdown of money. But, of course, this will worsen the quality of the magazine. One of the sales managers, who came to me for an interview, asked if I discussed ways to reduce costs with printers. To my amazement, my employees, who had a lot of ideas, how to cut costs without sacrificing quality, never spoke with the printing staff.

- Do the skills of the employees correspond to their tasks? At different stages of the company's development, it needs different people. One of our publishers had extensive experience managing large start-ups with good funding, but it was unusual for him to work with our budgets. Another entire life selling air advertising (and on the untwisted radio station), and

not the magazine lines. In the end, we replaced both. There are people who know how to create new products, but there are those who support the existing ones. We had many experienced sales managers from major publications, but none that embodied anything new and small. This led to a tangible imbalance.

- What is the long-term strategy for making a profit? Our board of directors and management have never met for strategic meetings. We never went to the bar to discuss new ideas with the employees, and did not invite readers to a dialogue. Business can not live in a vacuum. What works today may stop working tomorrow. Ask anyone in the media business.

- What are your employees' moods? I was so obsessed with solving business problems that I walked past the employees as if by furniture. I did not pay attention to their mood, was not interested in their opinion, despite the fact that my future depended on my decisions. Closed in myself, I did not notice their anxiety. You need to monitor the mood of your subordinates and encourage feedback. Satisfied employees will please both consumers and shareholders.

### **3.6 SWOT ANALYSIS**

Based on data collected through scanning and analysis of the external environment, SWOT analysis is carried out when developing a business plan.

The main goal of the SWOT analysis is to study the strengths and weaknesses of the enterprise. An analysis should be made of potential threats from outside factors, the search for and definition of possible ways of developing the firm. In addition, analysis helps to establish links between these components. The development of SWOT-analysis belongs to Professor Kenneth Andrews. It was he who began to add to the analysis factors from outside and those that are inside, to the matrix and, as a result, a visual classification of the definitions of phenomena, projects or organizations to select the main factors that determine the level of success.<sup>7</sup>

---

<sup>7</sup> Cutttingedgepr.com , 2005 [online] www: <<https://cutttingedgepr.com/free-articles/pr-planning-and-strategy/make-swot-analysis-communication-projects/>>

The name of the analysis, called SWOT, consists of several values. In this case, S is a "force", W is a "weakness", O is an "opportunity," and T is a "problem". It should be noted that this abbreviation is really capacious and fully reflects the main business characteristics that together constitute the main task of SWOT analysis. This section of analysis is sometimes given the name of the situational one. This indicator sometimes acts as an independent part of the analysis plan, which is carried out before the goals and objectives are revealed.

**Picture 1: SWOT ANALYSIS**



Source: Conceptdraw.com, 1993

What is the strength, and what is the weakness of this or that enterprise? The analysis helps to identify these data. Management of these characteristics is only possible by the authors of the analysis project. Strength and weakness in the analysis tell us about the features that exist at the moment. Thanks to SWOT analysis, you can obtain detailed information about these data.

Speaking about the opportunities and problems revealed in the analysis, it should be noted that they are characteristics that can influence the outcome, but the entrepreneur can not control them.

In the process of SWOT-analysis, it is necessary to consider, first of all, the factors that help to realize the idea. For example, entertainment establishments develop most rapidly in those periods when the number of solvent population increases with the growth of their income,



and this should be taken into account in the analysis. As for the optimal conditions in which it is possible to import cars, here in the process of analysis we can say about the factor justifying the organization of parking lot networks.

The factors that are considered in the analysis are very diverse. If desired, in the process of SWOT analysis, they can be divided into the following groups: organizational, financial, technical, personnel, marketing. The author of the analysis-plan has the opportunity to choose independently what form of ownership the future enterprise will have (it is an organizational factor), apply personal funds and own certain production assets. Personnel factors in the analysis, thus, can be considered qualification, skill level and number of shortcomings that the staff possesses. Marketing analyses are always important aspects of work, as they concern the market, competitors, services, product differences.

Possibilities and problems in the analysis can be considered certain properties of the environment, the conditions where business is supposed to be conducted. The economic environment is created by the socio-cultural and political environment, tax legislation, which is important for analysis. From these components, it makes business easier or, on the contrary, more difficult. At the analysis it is necessary to remember and technological indicators. For example, the level of development of telecommunications, as well as demographic factors.

Possibilities and problems in the analysis can be considered certain properties of the environment, the conditions where business is supposed to be conducted. The economic environment is created by the socio-cultural and political environment, tax legislation, which is important for analysis. From these components, it makes business easier or, on the contrary, more difficult. At the analysis it is necessary to remember and technological indicators. For example, the level of development of telecommunications, as well as demographic factors.

### **What are the types of SWOT analysis**

**Express SWOT-analysis** is the most common option that helps in identifying the strengths of an enterprise. It is these parties, indicated in the analysis, that can in the future confront threats, as well as the use of opportunities from the outside. SWOT analysis helps to identify weaknesses. The advantage of SWOT analysis of this type is in the ease of application and visibility of the indicators.

**Consolidated SWOT-analysis**, where there is a place of the main indicators that determine the working capacity of the organization to date and giving information about the prospects for development. The advantage of this type of SWOT analysis is that it can be used to obtain information on the quantitative assessment of factors identified by other methods present in the strategic analysis. Another advantage of SWOT-analysis is that it is possible to develop a strategy and other activities that are oriented toward achieving strategic goals.

**Mixed SWOT-analysis** is a combination of consolidated and expression analysis. A minimum of three main types of analysis is used to combine factors into tables and form a cross matrix. Quantitative evaluation of the factors, as a rule, does not occur with SWOT analysis. The merit of mixed SWOT analysis is that it allows you to deeply analyse the data and get an accurate result.

#### **4 Combinations of SWOT analysis factors:**

1. Development strategy is considered a combination in the SWOT analysis, where there are strengths and opportunities.
2. The restriction of strategic development is a combination of threats and weaknesses.
3. Internal transformations should also have a strategy in the analysis. There may be opportunities and weaknesses in it.
4. Potential advantages and their strategy for analysis are strengths and threats, combined together.

#### **Pros and cons of SWOT analysis**

The advantages of SWOT analysis include:<sup>8</sup>

1. Opportunity to identify and structure strengths and weaknesses, potential opportunities and threats (SWOT analysis is required first of all).
2. Efficient use and ease of conduct (SWOT analysis itself is quite simple).

---

<sup>8</sup> Utkin E.A.A., Kochetkova A.I., "Business plan". M., 1996.

3. Identifying links in the analysis between the capabilities of the company and real problems (competent SWOT-analysis allows you to get this information).
4. Establishment of links in the process of analysis between the powerful and weak sides of the firm (this is perhaps one of the main tasks of SWOT analysis).
5. No need for extensive data for calculations (for SWOT analysis, generalized data are required).
6. Determination of prospects for further activities and development of the company through analysis (when entering into the SWOT-table of real indicators, it becomes possible to learn about the future prospects of the enterprise).
7. Calculation when SWOT-analysis of potential options for the effective operation of the enterprise (literate analysis allows you to get a clear picture of reality).
8. The ability of SWOT analysis to assess profitability, to conduct analysis in comparison with competitive information.
9. Possibilities of management to expand and strengthen the company's competitive advantages (with correct application of the analysis and making correct data in the SWOT-table).
10. Creation of conditions for assessing the internal potential and resources of an enterprise (many companies use SWOT analysis today).
11. Identification of possible problems, timely prevention of them (identification of threats during SWOT analysis is a useful procedure for any enterprise).
12. The ability of SWOT analysis to provide a clear vision of the situation on the market (the analysis provides an opportunity to really appreciate the picture).
13. The ability to prevent dangers in the analysis, choose the best option.
14. The possibility to create a logical and coherent scheme in the analysis, where it is really possible to formulate data on the interaction of strengths and weaknesses, opportunities and threats for the company (SWOT-analysis is intended, including for these purposes).

**SWOT analysis also has shortcomings:**

1. Absence of time dynamics in SWOT analysis. Since the market situation is changing rapidly, the company's response to the emergence of new factors must be rapid, which the analysis should prevent. SWOT analysis does not always take into account time factors.

2. The lack of quantitative and estimating indicators in the analysis, as a result of which SWOT-analysis, despite its simplicity, carries little information. We can say that SWOT-analysis is not very informative.
3. The presence of subjective indicators in the SWOT-analysis.

### **Do or not do a SWOT analysis?**

**Do a SWOT analysis**, if you need a quick and accumulated statement of facts, create a statistical picture, an initial catalogue of questions, so that in the future you will consider these data when analysing it. SWOT-analysis, if properly carried out, provides information about the initial, rough check-list. Analysis is also used for sketching in a notebook during meetings with partners and similar cases. SWOT analysis could be carried out by representatives of business education, since most of them are not asked by frequent questions about the main objectives of the industry.

**Do not do SWOT analysis**, if you need information about the dynamic changes in the world, obtained through analysis. For this, the SWOT analysis is represented by a primitive matrix. With his help, it is realistic to get a static and fragmentary picture - the analysis is designed for this. You can compare SWOT-analysis with a picture from a car rear-view mirror, which often turns out to be incorrect.

## **3.7 Business plan for a Beauty Centre**

### **3.7.1 What is the Beauty Centre (BC)?**

BC isn't the same as Beauty Salon. Differences are that BC is bigger, better, more productive and it solve not only one problem in time but bunch of problems in a complex on the different levels of the issues. Moreover, BC isn't only about beauty, it's about healthy and happy life of a person generally, about life in harmony with yourself.

So as, in the Centre are doctors in additional to the beauty masters, such as a Psychologist, a Cosmetologist, a Nutritionist etc.

In the total, BC is the big centre with everything that a person may need.<sup>9</sup>

### **3.7.2 Why the BC?**

Currently, the beauty business is considered one of the most profitable and rapidly developing. This can be explained by the fact that people want to always look good, especially women. Yes, of course, you can live without acrylic nails, but you can not live without a hairstyle. The long hair is annoying more for men and pensioners. Therefore, the centre or even a small salon will always be in demand, regardless of the financial well-being of the world economy.

This business plan for opening a beauty centre will help novice businessmen make their start in this area very successfully. There will find out which registration form will be required for the centre; what services should be rendered and which services should not be provided. There will give the most common financial plan for the purchase of equipment, indicate the criteria for choosing the right place, consider the profitability of the beauty centre and payback.

### **3.7.3 Relevance of the business idea for BC**

Now we can confidently say that the beauty business is firmly entrenched in the services market. Wherever you look - some salons are! And even sometimes you can see several beauty salons, located side by side with each other. Are their owners so confident in themselves that they are absolutely not afraid of competition?

It should be noted that competition in this area has always been. But when opening such a business, it is better not to think about competition, but about the quality of the services provided. Then your competitors will be worried. If the salon has good advertising, experienced masters and a full range of services, then it will always bring good profits (even at the initial stage).

Now imagine that really good qualified salon growing up and become to a big Beauty Centre. What does it mean for owner? It means, without debt, high competitiveness because it's unique project without analogues in the rest of the world. So, more productivity then more customers then more profit then more opportunities for future development.

---

<sup>9</sup> Volchek N.M., "Modern Encyclopedia for Girls." Minsk, 1998.

## **4. Practical Part. Business plan for a Beauty Centre in Ufa city**

### **4.1 Summary**

**The target of this project** is a plan for creating first Beauty centre in Ufa city with a turnover of two years (24 months).

**Project Manager:** Olga Gorbunova.

**The main idea of the project:** the idea of creating new unique enterprise, Beauty centre, with turnover of two years has three objectives:

1. Creation of a unique company with high profit.
2. Making a profit.
3. Satisfaction of the consumer market in the desire to be healthy and beautiful.

**Financing of the project:** For the realization of this project is planned to take a loan in the amount of 90.4% of the investment budget or 78500\$.

**The concept of the business plan** assumes that the beauty centre will work in eight main directions, according to statistics that are in great demand among the target audience:

- ✓ Hairdressing service
- ✓ Manicure/Pedicure
- ✓ Cosmetology services
- ✓ Massage
- ✓ Lash-Maker
- ✓ Psychologist
- ✓ Nutritionist
- ✓ Sale of professional products for hair, face and body care.

**The cost of the project:** 86 800 \$

**Payback period:** 2 years.

**Conditional life cycle of the project:** 2 years.

**Payback period since the beginning of the project:** 12 months.

**Payback period with discounting:** 2 years.

An annual net profit of the project is equalled to 107386.7 \$

## **4.2 Company description**

The company name is “Beauty House”, because “Where can you find everything to be beautiful?” “In the Beauty House”.

The services of the beauty centre are designed for people with an average and higher income, taking care of their health, internal and external beauty.

So, consumers of services are people who live in Ufa City and also for foreigners.

The main idea of “Beauty house” and in the same time the main advantage is the unique character of that project. None in the Ufa even in the whole Russia didn't do the same. Videlicet, none have not connected beauty salon with bunch of doctors in one place.

What kind of doctors and why? Simply. The doctors who helps people live in their usual public life: - Psychologist because if you want to be happy you should have harmony with yourself. Also, when you have problems in your head or stressful situations it can be reason for some disease.

- Nutritionist because if you want to have healthy and clean skin, to be slim you should have proper digestion and nutrition.

Such as, a real beauty is when you are beautiful inside and outside of your body!

## **4.3 Market analysis**

### **4.3.1 Demand**

The demand for beauty has always been a priority, especially from a women's side and considering that's what women like, to be beautiful and look beautiful thus, the demand is there. There are so many things you should take into account, even when making you nails, a subtle thing can make a big difference. Obviously, a big demand is noticed during seasonal events such as (New-Year, 8 of March, Mother's Day, nurse day and ext.). Even small parties or social events could be a big reason to go and visit a salon and make your-self look beautiful. Since my business is based on those activities and even more, everything what a woman needs to look gorgeous, is in one place, so, it's easy to allocate and organize your time.

Very important to teach your stuff, how properly and effectively communicate with customers, because that's how a mount marketing works. Based on somebody's else opinion (friends, colleague, co-worker, boss, relatives and extra).

For successful functioning of the beauty center you will need:

1. Corporate identity, logo, etc. (this is the first indicator of the quality of the organization's services).
2. High-class and qualified service.
3. Cozy atmosphere or a homely atmosphere.
4. Subscription system, which gives the right to discounts to its regular customers.

The potential clients of the beauty center, are people with average incomes currently serving in ordinary hairdressers, due to the lack of beauty salons in the area providing an extended range of services. Also in the center it is supposed to sell associated cosmetic products. That will allow, clients having received advice from the master to purchase the necessary care products. That will greatly increase the attractiveness of the center.<sup>10</sup>

The main methods in the activation of the sale of services:

- Billboards;
- Distribution of promotional leaflets at the beginning of the activity;
- advertising in women's magazines and local TV channels;
- Creation of own site with a detailed description of the services performed, price list.

#### **4.4 Marketing plan**

For the most part, marketing is a game, the main task of which is to form a certain sensory perception of a product or service from a client. Perception occurs through the stimulation of the sense organs: sight, hearing, taste, smell and touch. Different colors, sounds, tastes, flavors and surfaces are used to form the consumer's perception. These factors have a huge impact on consumer response. The services of the beauty center to promote are much more complicated than the goods, this is due to their special characteristics, here one should turn to the classics of marketing, in particular to Kotler, who distinguished four features: intangibility, inseparability

---

<sup>10</sup> Bi-plan, 2008 [online] www: <[https://www.bi-plan.ru/biznes\\_plan\\_salona\\_krasoty/](https://www.bi-plan.ru/biznes_plan_salona_krasoty/)>

Shedevr-irpin.com.ua, 2014 [online] www: <<http://shedevr-irpin.com.ua/novosti/16-pochemu-zhenshchiny-lyubyat-khodit-v-salony-krasoty>>



from the source, non-preservation, impossibility to evaluate the quality of the service prior to its purchase. This is the main difficulty in promoting services. You cannot come up with a universal formula for promoting services, where the human factor plays big role. In promoting the services of the beauty center, there are two components are mandatory: the formation of the image and work with the staff. For the organization engaged in the production of services, the issue of image is very important. Only a firm that has been "heard" can cause trust, which is so important in sales of services. The buyer of the service cannot but rely on anything, except for the image of the company. Services, beauty institutions are always in demand. The competition is great, but at a given location, competition will not be very noticeable. Moreover, the creation of a certain image of a beauty center can lead to further active growth of sales of services and the possibility of opening a network of the similar centers.<sup>11</sup>

Nowadays, people use different social-networks such as (Instagram, Facebook, Twitter, YouTube) and many more. Especially today, there is a tendency to have your own channel (Vlog, Blog) on YouTube and promote places and events, by recording that on camera where you go, show it to people online, so they will discover themselves, how exactly an environment looks like and is it worth going there at all, and an advantage of so called "bloggers" they get a free haircut and they promote our "beauty center" without paying advertising liabilities. In truth there are so many ways to promote and market a business that has been launched, the only questions that needs to be answered: What do customers want? Knowing an answer for the question will bring a lot of success.

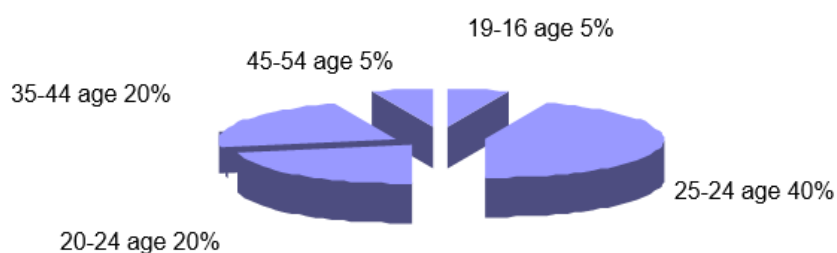
There is a socio-demographic portrait.

The main consumers of the center services are young people aged 25 to 34 years. Age categories "20-24 years" and "35-44 years" form up to 20% of clients of beauty center each. The least popular are services among teenage (16-19 years) and elderly (45-54 years) population groups.

---

<sup>11</sup> Dashkov L.P., Tyutyukina E.B., "How to succeed in business." M., 1993.

**Graph 1:** The socio-demographic portrait



Source: Own, 2017

#### 4.5 Investment program

To implement the project, it is necessary to invest an amount of \$78 500.

The schedule of project financing is presented in Table 1.

**Table 1:** Financing of the project (self- research).

	Name of expenses	Amount (\$)
1	Authorization documents	414
3	Equipment for salon	14 233
4	Utilities	221
5	Rent	46 950
6	Marketing	974
7	Other expenses	1008.3
8	Design and repair	2 500
9	Staff recruitment	167
10	Expendable materials	5 833.3
11	Installation of equipment and furniture	967
12	Equipment: a restroom	250
13	Gross total	73 515.65
14	VAT	13 233
15	Net total	86 800

Source: Own, 2017

For the realization of this project is planned to take a credit in the amount of 90.4% of the investment budget or 78500\$. The loan is taken for 2 years (24 months) at an annual interest rate of 22%, this loan is given with a deferred payment for the first 6 months. Further, the repayment of the principal loan debt and the repayment of interest for the use of the loan will be made monthly. In case of delay in payments, the bank imposes sanctions and a fine of 2.5% of the outstanding amount. There is also a need to purchase an initial inventory of professional hair products (e.g. shampoo, conditioner, hair-coloring, cosmetic inventories. etc.). She has identified a supplier from which she can purchase the items at wholesale by providing her beautician's license.<sup>12</sup>

**Table 2:** The main investment and financial indicators of the project (self- research).

<b>Investments in the project</b>	<b>Amount</b>
Total investment in the project, %	90.4
Share of own investment funds, %	9.6
Total investment in the project, \$	86 800
Share of own investment funds, \$	8 333.3
Loan amount	73 515.65
Loan rate	22%
Loan repayment period year / month.	2 years / 24 months
Deferral of payments on account of repayment of debt, months.	6

Source: Own, 2017

### **Organizational plan.**

---

<sup>12</sup> Gorokhov M.Yu., Maleev V.V., "Business Planning and Investment Analysis". M., 1998.

**Table 3:** The staff (self- research.)

<b>Name of position</b>	<b>Quantity</b>	<b>% of profit</b>	<b>Salary (\$)</b>
Administrator	1	-	300
Hairdresser	2	30	-
Medical cosmetologist	1	30	-
Master of manicure and pedicure	2	40	-
LashMaker	1	40	-
Masseur	1	30	-
Psychologist	1	30	-
Nutritionist	1	30	-
Cleaner	1	-	150

Source: Own, 2017

#### **4.6 Financial plan**

The financial plan is one of the most important moments in the business plan, opening your own business is not possible without preliminary calculations, at least for the near future. It is necessary to calculate the costs of advertising, salaries of employees with not full occupancy of the beauty centre, which is inevitable when opening and primary attraction of the clientele. Of course, there is a possibility that the masters will come with their customers, but one cannot hope for this. The likelihood that the first 3 months of the salon will be filled only by 30% is very high, but in the future with well-placed advertising, planned discounts and an expanded list of services, the beauty centre will be attractive to customers. But this does not give us the right to think that the centre will be filled by 100%. An important element for attracting and retaining customers is the correctly chosen pricing. Therefore, the pricing strategy of the planned enterprise is focused on avoiding a decline in sales and minimizing the impact of external forces such as competitors. Of all possible methods of pricing, it is planned to establish a price on the basis of the perceived value of the commodity, i.e. the main factor of pricing is not costs, but consumer perception. It is also expected that the use of price action techniques will be widely used. Thus, at the opening stage, the company plans to use a strategy of lasting introduction to the market, which implies a reduction in the prices of services provided in comparison with the prices of competing organizations. With the achievement of

sustainable competitiveness, the organization provides for some price increase to the level of average market prices.<sup>13</sup>

**Table 4:** Calculation for one master

Name of income	Calculation for one master.			
	average number of clients per day	max number of clients per day	average time for a service min	average cost of the service \$
A haircut	14	18	55	10
Hair coloring		12		21,7
Hair Styling		16		18,3
Manicure	10	12	70	8,3
Pedicure		12		10,8
Cosmetology	3	15	45	16,7
Massage	2	15	45	9,2
Psychologist	2	5	60	9,5
Nutritionist	2	7	45	9,5
LashMaker	2	5	150	16,7

Source: Bi-plan.ru, 2008.

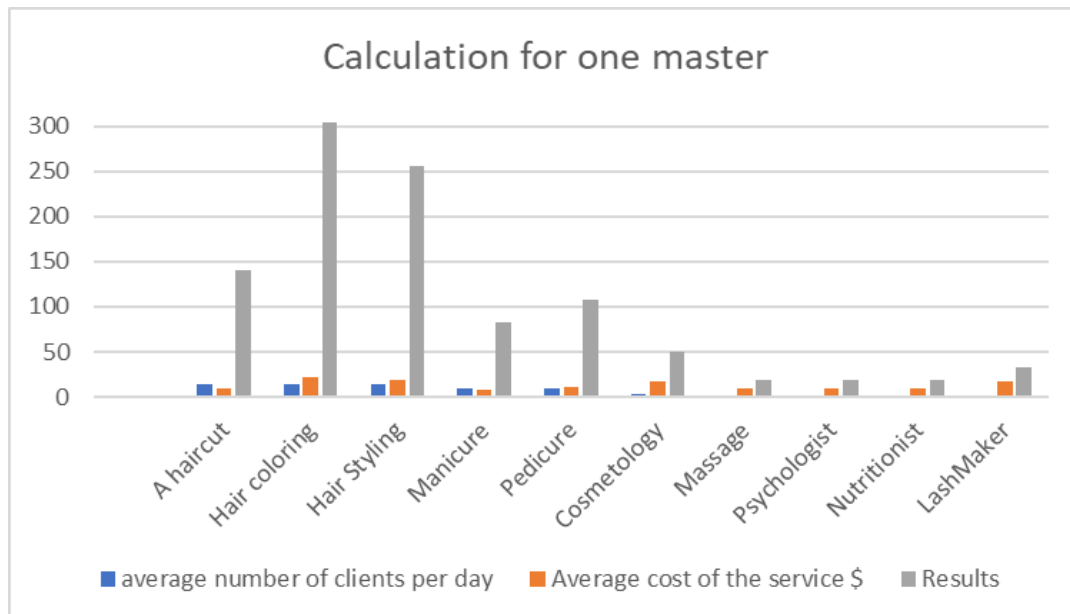
**Table 5:** Profit calculation by max/min occupancies per month

Min.center occupancy per month.					Max.center occupancy per month.				
income	material ex. \$	Master's income for 1 day	Profit center for 1 day	Profit center for the month	Income	material ex. \$	Master's income for 1 day	Profit center for 1 day	Profit center for the month
140	1	42	97	2910	180	5	54	121	3630
303,8	3	91,14	209,66	6289,8	260,4	10	78,12	172,28	5168,4
256,2	2	76,86	177,34	5320,2	292,8	8	87,84	196,96	5908,8
83	1	24,9	57,1	1713	99,6	2	29,88	67,72	2031,6
108	1	32,4	74,6	2238	129,6	4	38,88	86,72	2601,6
50,1	3	15,03	32,07	962,1	250,5	16	75,15	159,35	4780,5
18,4	2	5,52	10,88	326,4	138	9	41,4	87,6	2628
19	1	5,7	12,3	369	47,5	7	14,25	26,25	787,5
19	1	5,7	12,3	369	66,5	7	19,95	39,55	1186,5
33,4	3	10,02	20,38	611,4	83,5	10	25,05	48,45	1453,5

<sup>13</sup> Gorokhov M.Yu., Maleev V.V., "Business Planning and Investment Analysis". M., 1998.

Source: Bi-plan.ru, 2008

**Graph 2:** Calculation for one master



Source: Own, 2018

From that statistical data we can conclude that most of the services that the “BC” provides are targeted on women’s audience. Statistically women’s tendency to buy things are more than men’s, women buy things in order to satisfy their needs, but men don’t work like that. It is a scientific fact that women are more emotional beings than men. So, that could be an explanation why the services are more feminine. For a woman there is such a thing as fashion. Fashion is the direction for choosing clothes, hair, lipstick and make-up in general. Fashion is an art, but it is not for everyone to understand the conformity of fashion to a certain woman, her type, structure, inner peace and state. In this issue, everything should be in moderation and correspond.

In this case, it is better to go to the beauty center. In principle, for this purpose the majority goes there. Men go fishing, hunting, bathing, drinking. For a woman, the beauty center is a place where you can feel like a woman, like yourself, talk, learn news and get away from the gray routine. Awe awaiting the visit of the institution is already preparing for the holiday. Each visitor to the salon has a howling master, to whom she is ready to surrender and get what she expected. The price is not important - the result is important! <sup>14</sup>

<sup>14</sup> Finer B.M., Billep D.P., "The Manual of the master-hairdresser". Kiev, 1969.

Profit after the first year: 145.117\$

Taxes: 37.703\$

**Net profit after the first year: 107.387 \$**

With the consideration of sold assets from a beauty salons.

**Table 6:** Product-portfolio for hairdressing services in the Beauty-Centre.

<b>Haircuts</b>	<b>Price (USD).</b>
Classic haircut: short-hairs	13,39
Classic haircut: long-hairs	15,18
Avangard	8,93
Hair trim	6,25
Haircut of bangs	1,79
Children's haircut before age 7	4,46
Men's haircut	11,61
Bald	6,25

**Styling of hairs**

Stacking complex for short hair	6,25
Stacking complex for medium hair	8,93
Stacking complex for long hair	9,82
Styling with ironing	9,82
Styling of curlers on short hairs	8,93
Styling of curlers on medium hairs	10,71
Styling of curlers for long hairs	12,50
Evening and wedding styling: short hair	30,36
Evening and wedding styling: medium hair	33,04
Evening and wedding styling: long hair	63,39

**Coloring of hairs**

Highlighting by powder on short-hairs	12,50
Highlighting by powder on medium-hairs	17,86
Highlighting by powder on long-hairs	26,79

Dyeing of the client	5,36
Tinting on short-hairs	17,86
Tinting on medium-hairs	26,79
Tinting on long-hairs	35,71

Source: Ogirk.ru, 2016

## 4.7 SWOT-analysis

Picture 2: SWOT-analysis

<p><b><u>Strength:</u></b></p> <ul style="list-style-type: none"> <li>• Various services in one place.</li> <li>• Rich audience.</li> <li>• Marketing plan, entice people's attention such as (discount's, 1+1=3, free vouchers after 10th haircut and extr.).</li> <li>• The only place in the city.</li> <li>• Customers get the service when they want.</li> <li>• Skilled labor, train and develop their abilities.</li> <li>• Good conditions for labor.</li> </ul>	<p><b><u>Weakness:</u></b></p> <ul style="list-style-type: none"> <li>• High prices.</li> <li>• So many customers which creates a line, people need to wait for a while.</li> <li>• Competition between discount of the similar institutions.</li> <li>• A start-up is quite expensive.</li> </ul>
<p><b><u>Opportunities:</u></b></p> <ul style="list-style-type: none"> <li>• To make an app-application in order to simplify the way of orders and appointments.</li> <li>• Web-site with the whole service-portfolio and description of the services.</li> </ul>	<p><b><u>Threats:</u></b></p> <ul style="list-style-type: none"> <li>• Very strict rules and regulations.</li> <li>• Not enough customers.</li> <li>• Cheaper prices of competitors for the same services.</li> <li>• Weather wise, (-40) which is quite possible in Ufa city.</li> </ul>

Source: Own, 2017

There is also a need to purchase an initial inventory of professional hair products (e.g. shampoo, conditioner, hair-coloring, cosmetic inventories. etc.). I have identified a supplier from which she can purchase the items at wholesale by providing her beautician's license.



## 4.8 Measures of risks

In the course of its activity, the centre may face certain risks that must be taken into account in the work. An assessment of the severity of the consequences and possible measures to prevent them are given in the Table 7.

**Table 7:** An assessment of the severity of the consequences and possible measures to prevent them are given

<b>No.</b>	<b>Risk</b>	<b>Chances to occur</b>	<b>Consequences</b>	<b>Prevention methods</b>
<b>1</b>	New competitors on the market.	Medium	Medium	Maintaining of service and stability, loyal attitude with competitors.
<b>2</b>	Sharp decline in the solvency(devaluation).	Medium	Medium	Introduction of additional services, cost optimization, use of loyalty programs.
<b>3</b>	Theft, break-ins.	Low	High	Installation of cameras and alarms, property insurance.
<b>4</b>	Act of god, natural disasters.	Low	High	Property insurance, compliance with fire safety standards.

Source: Own analysis, 2017

## **5. Sanitary and anti-epidemic regime. Requirements for carrying out hairdressing works and rules of personal hygiene in the beauty center.**

- 1.* Before the procedures with each new visitor, the master should wash his hands with soap; Nails should be clean.
- 2.* Personnel should have the necessary number of sets of tools for sequential disinfection, but not less 3 months.
- 3.* For the sterilization treatment in a hairdresser, sterilizers working by ultraviolet, thermal, ultrasonic or combined sterilization methods, as well as tools intended for sterilization of the instrumentation, are allowed.
- 4.* All premises of the centre to the beginning or after the termination of work are subject to daily careful wet cleaning with application of disinfectants. During the working day, disinfection and current cleaning of surfaces to which visitors are touching (handles of doors, handles of armchairs, washbasins, shelves of workplaces, etc.) are carried out. Once a month the centre should be closed for one shift for disinfection and general cleaning of all premises.
- 5.* Shaved hair is collected by scoops and folded into paper (or made of polymeric materials) packages with a capacity of at least 25 liters. After the end of the change, they must be sealed. Disposal is carried out according to the existing scheme of sanitary cleaning of this settlement, coordinated with the territorial institution of the State Sanitary and Epidemiological Service.
- 6.* Tools after each use are subject to mandatory disinfection with disinfectants.
- 7.* Tools should be stored in a specially designated place for tools near the workplace or in the personal closet of the master, located in the living room.
- 8.* The hairdresser should have a supply of laundry in sufficient quantity to ensure trouble-free operation and individual use.
- 9.* During the service, the client must be covered by a clean dressing gown. The place of contact of the negligee with the client's body is closed with a disposable collar or napkin.
- 10.* Workers should have disposable or disposable clothing for work (aprons, bathrobes, etc.).
- 11.* Before conducting a chemical wave and hair dyeing, the master should find out from the client the presence of an allergic reaction to chemical preparations. In case they have it, and, if the client performs this procedure for the first time, the master should make a biological test for sensitivity, having smeared a small area of skin behind the ear with chemical composition.
- 12.* The removal of cut hair from the neck and face of the client is done with disposable tampons, a brush.

**13.** Washing of used linen is carried out in laundries or in a hairdresser, if there are specially allocated places in the auxiliary rooms with cold water supply and the availability of a water outlet in agreement with the territorial SES.

**14.** Smoking in workrooms is strictly prohibited.<sup>1516</sup>

## **5.1 Medical examination of personnel and admission to work**

1. For a beauty centre there is a mandatory periodic medical examination before acceptance to work. Data of the results of medical examinations are entered in personal medical books, which are saved in the administration of the hairdresser. The volumes and terms of medical examinations are provided by the current directive documents of the Ministry of Health of Russia.

2. Pregnant women-hairdressers are exempted from work on carrying out chemical perm, paint and discoloration of hair.

---

<sup>15</sup> Konstantinov A.V., "How to become a hairdresser." M., 1995.

<sup>16</sup> Franke G., Starke R., Unzin K., "The art of a hairdresser." M., 1972.

## 6. Conclusions

In a conclusion we should consider that, opening the unique “beauty center”, a businessman inevitably faces various problems. The main one is the search for suitable areas. From how you chose the room, depends how dense the flow of customers will be, you also need to focus on the fact that the „beauty centre“ is designed for wealthy people: convenient parking, beautiful design of the entrance, the absence of noisy institutions in the neighborhood - all this is of great importance. Features of service activities are that competition in this type of business is high, but in the niche of the beauty centre's services, it is not difficult to find your customer if you can provide what he/she wants to receive. At first, it is permissible to save, for example, on finishing the premises. But here the equipment, though in a manicure room, at least in a hairdresser's, only a professional one is acquired. The same applies to consumables, tools and other equipment. The key factor of success when starting a business is professional masters, who are searched through acquaintances or lured from other similar institutions, which is more profitable, since they will lead to clients as well. The algorithm for creating and opening a standard: it is important not to forget to give serious attention to advertising a new institution. The original advertising will be a guarantee that potential customers will pay attention to the beauty centre. As experience shows, when performing analysis of income and expense items, it is worthwhile to provide for the stock of financial resources, since at first the profit will be low, and monthly rent is required to pay the rent. This parameter is registered in the sample business plan of the beauty studio, as well as other nuances. The advantage of planning is obvious: this document contains the necessary information on what the payback and mobility is, or how to open a nail studio in the beauty centre, since my business plan is a step-by-step instruction explaining what to do to make the beauty centre known throughout the region and the whole city, since we will be using different strategies of marketing (mentioned above) to lure clients into our centre and make sure that we provide the best quality services in that industry.

The conducted research has shown, that such kind of business as the creation of the Beauty Centre is super-profitable, highly risky and promising. One of the main conditions for its successful functioning is the availability of a favorable location, hiring highly qualified personnel, the presence of highly competitive equipment, which is associated with the objective economic and financial conditions of the beauty centre in the market. Opening of the Beauty Centre, will require the leader of the project self-feedback, high volitional volition efforts, knowledge, tactical manipulation in the preparation of a license and other bureaucratic

documentation, as well as the realization that this species business requires careful study and significant capital investments. If the project manager understands, and assumes responsibility for creating an enterprise of this scale and character, takes responsibility for the lives of people involved in the production process, then his intellectual, financial and personal investments will be to make profit, and the enterprise to fulfill its immediate task necessary for the economy and society for decades.

## 7. Bibliography

### **Printed publications:**

1. Blackwell E., "How to make a business plan." M., 1996.
2. Dashkov L.P., Tyutyukina E.B., "How to succeed in business." M., 1993.
3. Finer B.M., Billep D.P., "The Manual of the master-hairdresser". Kiev, 1969.
4. Franke G., Starke R., Unzin K., "The art of a hairdresser." M., 1972.
5. Gorokhov M.Yu., Maleev V.V., "Business Planning and Investment Analysis". M., 1998.
6. Gribalev N. P., Ignatiev I.G., "Business plan: a practical guide to compiling". S.-P., 1994.
7. Galitskih. A. 2005 "Facing challenges in the business with the right attitude"
8. Konstantinov A.V., "How to become a hairdresser." M., 1995.
9. Mamulov,G 1999. "The beauty is an art" 4<sup>th</sup> Edition.
10. Popov V.M., "Collection of business plans with comments and recommendations." M., 1999.
11. Pinson, Linda. 1999. Anatomy of a Business Plan: A Step-By-Step Guide to Starting, Building the Business, and Securing Your Company's Future.
12. Utkin E.A.A., Kochetkova A.I., "Business plan". M., 1996.
13. Volchek N.M., "Modern Encyclopedia for Girls." Minsk, 1998.
14. Stutely, R. 2001. The Definitive Business Plan: The Fast-track to Intelligent Business Planning for Executives and Entrepreneurs. Edinburgh: Person Education Limited.
15. Tsipsis, K. & Corianopoulus, A. 2009. Data Mining Techniques in CRM: Inside Customer Segmentation.
16. Townsley, Maria. 2003. Small Business: Essentials for the Successful Professional..
17. Varnikov I.G. 1887, "The pain due-to a lost ruble"
18. Yeremetko V.A. 2013 "30 tips to run you own business".
19. Zalchik P.V 2015. "Biography of an insane hairdresser"

### **Electronic documents:**

1. Bi-plan, 2008 [online] www: <[https://www.bi-plan.ru/biznes\\_plan\\_salona\\_krasoty/](https://www.bi-plan.ru/biznes_plan_salona_krasoty/)>

- Shedevr-irpin.com.ua, 2014 [online] www: <<http://shedevr-irpin.com.ua/novosti/16-pochemu-zhenshchiny-lyubyat-khodit-v-salony-krasoty>>
2. Conceptdraw.com, 1993 [online] www: <<http://www.conceptdraw.com/examples/swot-matrix>>
3. Cutttingedgepr.com , 2005 [online] www: <<https://cuttingedgepr.com/free-articles/pr-planning-and-strategy/make-swot-analysis-communication-projects/>>
4. Ogirk.ru 2016, [online] www: <<http://www.ogirk.ru/node/50379>>
5. Forbes.ru 2010, [online] www: < <http://www.forbes.ru/svoi-biznes/startapy>>