



Success begins
with a plan.

Quick guide on building a business plan that builds
your business.

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Success Begins With a Plan

"The reason for doing what you do, will always affect how you do what you do."

- △ Back to the Basics
- △ Down to Business
- △ Getting Specifics

Like my Uncle Rick always said "If you fail to plan
You are planning to fail."

It is always in your best interest to create a plan.
Know that things will never go according to plan.
But having one ensures a little confidence. It also
Gives you a starting point if crap hits the fan. It is
also a good reminder of why you are doing all this,
Something to reference when you need guidance on
Making big decisions.



Let's Do This!

Success Begins With a Plan

So, what are the elements of a good business plan?

- ▽ Executive summary (Short page summarizing your entire plan.)
- ▽ Description of your business (this is a break down mission statement, business history, and your objectives)
 - △ A mission statement is your “why”
 - △ Your business history is all of basics (founding date, milestones, location, number of employees or persons, leadership roles, products and services)
 - △ Your objectives are your goals
- ▽ Summary of potential (your target market and target market research, your projected growth.
- ▽ Descriptions of products and services
- ▽ Marketing and sales strategies
- ▽ Business financials
 - △ This includes income projections, profit and loss statements, cash Net income projections, etc
- ▽ Organization and management of business

This workbook is designed to begin planning and brainstorming everything you need to create a business plan. When you actually create it, the best practices are to be brief and make it clear and easy to read.

Back to the Basics

Know your "why"

What are you doing with your business? What is your purpose and main goal?

Why are you doing this?

Why is this important to you?

When you have to make future decisions. **ALWAYS** refer back to this. It is your true north.
If the choice does not align with this. Hard pass!





Back to the Basics

Let's talk about your business basics

What type of business are you? (self-employed, established LLC, Licensed Salon, etc.)

What is your business name? (put your name here if that is how people recognize you)

Where is your business located?

Any major milestones?

Do you have any employee or plan too?

What does the leadership look like?

Back to the Basics

Not your average goal setting.

“Setting goals on the front end
Will always help you to create a
firm plan to reach your end
game.

Smart goals are those that are
Specific, have a time limit of
Completion, and are measurable.



Let's get specific!

Think back to your “why”. Now let's plan goals based around that.

What are specific goals you have for your business? They need to be specific, be measurable, and have a timeline. (For example. I will Increase my monthly sales by \$1,500 in the next 3 months.)

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Back to the Basics

"Break down each goal just a little further. Let's create a to-do list for each below."

<p><u>Example:</u> increase monthly sales by \$1,500 in the next 3 months.</p> <p><u>How will you do that?</u></p> <ul style="list-style-type: none"> ▽ Increase service tickets ▽ Increase social media presence ▽ Consider a price increase <p>Then break these down even further! Make a to-do list to make it happen.</p>				
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"It is not enough to just create goals. We can all do that. What makes you different is the drive to actually take steps to see those goals come to fruition. How does that happen? By creating a plan and executing it!"

Down to Business

"Focusing on the things you are good at will get you where you want to go faster. It is also way more fun!"

Let's look at your strengths pertaining to your business.

When it comes to operations of your business, what are you good at?

Make a plan that gives value to your time. When it comes to those things that you are good at; how will you designate your time to each to have your business run successfully?

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Consider things that you might hire out for that would be better suited for you to pass the reigns on. We aren't all good at everything. Sometimes getting help is the best thing for your business.

What things might be better off left to someone else?

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Down to Business

"The growth of your business is completely rested upon how much time you are willing to invest"
Let's talk money. What do the finances of your business look like?

Startup costs	Projected incomes
_____	Δ
_____	Amount: _____
_____	Δ
Amount willing to invest:	Amount: _____
_____	Δ
Amount in SBA loans	Amount: _____

Month to month expenses	



→ What does this include?

- Δ
- Δ
- Δ
- Δ
- Δ
- Δ



Down to Business

What are your financial business percentages?

Take a look at your total projected income.

What percentage of that income is going to your building mortgage or rent?

What percentage of that income is going to all your business bills? (booking software, phone, internet, water, electricity, etc.

What percentage of that income is going to all products needed to run your business?

What percentage of that income is going to your education?

What percentage of that income is going to marketing and other expenses?

Keep in mind reserving 51% as pre-tax take home income is a good place to be!

Down to Business

Writing a profit and loss sheet sounds scary. But this is something you should do monthly in your business to track your finances and to be sure you are meeting your financial goals and budgets.

Operating Revenue	
Product sales	
Service Sales	
Total Revenue	
Expenses	
Rent	
Utilities	
Products (retail,color.backbar, etc.)	
Marketing	
Education	
Other	
Total Expenses	
Profit/Loss	

This is a very basic profit/loss sheet. It is always good to know what your Net and Gross incomes look like.

Your gross income for the month is your total revenue. The important number is your Net Income. This is what you take home after all expenses are covered and all taxes are accounted for.

Down to Business

Knowing your financial situation now is great.

What are the quantities of services for a year? (amount of services, how many renters, product pieces sold).

You will then multiply by this by average price. (average service cost, average rent amounts, average cost of single product).

This would be your projected income for the year.

To determine your projected growth over the next 5 years, you will need to establish your percent increase for both quantities of services and of average prices. *These are two separate increase goals.

Year 1	Year 2	Year 3	Year 4	Year 5
% increase on Quantity:	% increase on Quantity:	% increase on Quantity:	% increase on Quantity:	% increase on Quantity:
% increase on average service price:	% increase on average service price:	% increase on average service price:	% increase on average service price:	% increase on average service price:
Quantities of service:	Quantities of service:	Quantities of service:	Quantities of service:	Quantities of service:
Average service price:	Average service price:	Average service price:	Average service price:	Average service price:
Projected income:	Projected income:	Projected income:	Projected income:	Projected income:

Example

Let's say I service 30 clients on average every month. That would be 360 clients serviced for the year. Now let's say that on average every guest spent around \$150. That would be an average service income of \$54,000 for the year. If I decide now that each year, I want to service the same number of guests per year my increase on quantity will be 0%. But if I still want to make more money, I can increase my average sale. For this example, we will say year over year we want a 3% increase on average service price.

*I choose a 0% increase on quantity of service because I wanted to make more money while servicing the same number of clients. (work smarter not harder right?)

<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
% increase on Quantity: 0%	% increase on Quantity: 0%	% increase on Quantity: 0%	% increase on Quantity: 0%	% increase on Quantity: 0%
% increase on average service price: 0%	% increase on average service price: 3%	% increase on average service price: 3%	% increase on average service price: 3%	% increase on average service price: 0%
Quantities of service: 360	Quantities of service: 360	Quantities of service: 360	Quantities of service: 360	Quantities of service: 360
Average service price: \$150	Average service price: \$154.5	Average service price: \$159.10	Average service price: \$163.90	Average service price: \$168.80
Projected income: \$54,000	Projected Income: \$55,620	Projected Income: \$57,276	Projected income: \$59,004	Projected Income: \$60,768

Guide to Increases

Increases sound great? But how can you project them when you do not know when to implement them how to implement them and what constitutes the increase in the first place.



The percent increase on services depends on which service we are talking about and the need for and increase.

- △ If you wish to gain more clients year over Year this is where you would increase your percent amount on how many more single services you wish to provide.
- △ If you are a Booth Rent salon owner and Intend on growing your salon and having more Renters year over year, this is where you would Increase your percent amount on many more single stylists you wish to add.
- △ If you are selling product you may want to increase the percent of how many pieces sold year over year.

The percent increase on average price of service will depend as well.

An increase on average services prices I personally believe should be done 1-2 times per year. These will be done based upon many factors

- △ Cost of product to perform service
- △ Raise in cost to rent your space if booth rental
- △ Amenities you provide
- △ Increase in elevated guest experience
- △ Education you have received
- △ Cost of living
- △ Experience in the field

The percent increase on the average price of booth rent.

- △ Booth rent will go up year over year based up on master lease increase of the entire salon. Typically, whatever the increase on the rent of the entire building would be the increase percent for each booth rent space.

The percent increase on the average price for product.

- △ An increase on your average price for product will vary depending on the increase year over year on your average purchase cost of the product. Projections will vary. Estimations can be made based upon the average increase in the cost of living.



Down to Business

This will be a great place for you to brainstorm ideas for the logistics, policies, and marketing plans for your business.

Logistics: How will you run daily operations?

This will look differently depending on your business. If you are a booth renter, you will be brainstorming how your day in and day out will look. You can break down how each service will start, run, and end. You will create plans for how you will keep track of your personal products and how you plan to replenish, and keep track of repurchasing.

For salon owners this will be more in depth. I have created a blank template for you to plan more. If you are booth rent you will be planning out how you will manage your renters, how rent will be collected, your expectations of them and more! You will also be planning how you will keep track of any inventory you will have as well as the finances associated with them (retail, backbar, cleaning and office supplies, etc.).

For commission salons owners this will be even more detailed. You will be planning how you will manage employees, reference your employee handbook, how you will do payroll and benefit packages. You will be organizing how your salon will operate in and out. Really use these next few pages to brainstorm all the logistics of your business pertaining to daily operations.

<p><u>What services are you providing?</u></p>	<p><u>What amenities will you provide?</u></p>	<p><u>How will you keep track of products needed for these services?</u></p>	<p><u>How will you take in and keep track of your finances?</u></p>
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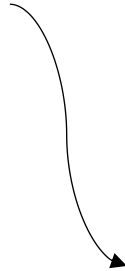


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Down to Business

Business policies are great ways to be clear and concise on the way your business is ran. It is also great protection.

Let's set some policies!



How will you handle guest communications?

How will you deal with difficult customers? (those unhappy or who might want a re-do or refund?)

How will you deal with crisis?

How will you handle cancellations?

What is some worst-case scenarios?

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How will you combat those?

How will you handle employee communications?

How will you handle unpaid rent or unpaid services?

How will you handle sick time for yourself or potential employees paid time off or vacation time?

How will you handle late customers, employees, and similar situations?

What is some worst-case scenarios?

- △
- △
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How will you combat those?



Get Specific

Understand your brand. What is a brand? Let's break it down.

- △ Adjectives that describe your business
- △ The look, tone, and feel of your business
- △ Who your market is

Once you have established these things you can begin creating your branding elements. Those are:

- △ Brand boards
- △ Logos
- △ Print materials
- △ Etc.

If you ever get stuck **ALWAYS** refer back to your "WHY". Every marketing effort needs to speak and be in alignment with your brand and target market. Below brainstorm ways you plan to market your business. Think outside the box on this one. Also brainstorm ways this marketing will generate income.

That's a Wrap

If you fail to plan, you plan to fail.



So, what are you waiting for? Start business plans for your business.