

Hair & Beauty Salon

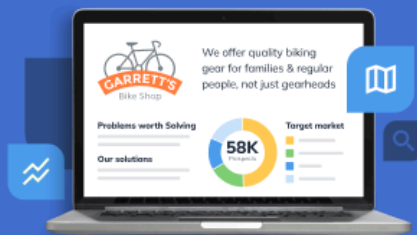
How to Use This Sample Plan

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This sample plan is a good way to get started, but as you know, you can't just type in your details, print it, and turn it into the bank. Every business is unique, and your business plan should reflect that. Use this sample business plan as the starting point for your own plan and customize it to reflect your unique business.

What makes this sample plan unique?

- Each section includes **instructions and prompts** to help you think through, and clearly convey, the distinct details of your business.
- **Pro tips (noted in blue)** are based on our experience helping over a million business owners write their business plans. Consider these tips as you create your own plan.
- Writing your business plan is just one step in achieving your broader business goal. At the end of this template, you'll find **next steps to help you achieve your goal faster**.
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Trend Setters Hair Studio

The Trend Begins Here

Business Plan

Prepared [date]

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Executive Summary

★ **Pro tip:** We typically recommend you revisit this section after you've finished the rest of your business plan so that you can easily summarize what you've already written.

Introduction

Trend Setters is a full-service beauty salon dedicated to consistently providing high customer satisfaction by rendering excellent service, using quality products, and furnishing an enjoyable atmosphere at an acceptable price/value relationship. We will also maintain a friendly, fair, and creative work environment that respects diversity, ideas, and hard work.

Our Mission

To supply services and products that enhance our clients' physical appearance and mental relaxation.

★ **Pro tip:** Struggling with writer's block? Harness the power of [AI with LivePlan Assistant's Suggestion feature](#). Using your business name and industry details, LivePlan will generate suggestions for each part of your plan so that you're never left staring at an empty template.

Our Motto

"The Trend Begins Here!"

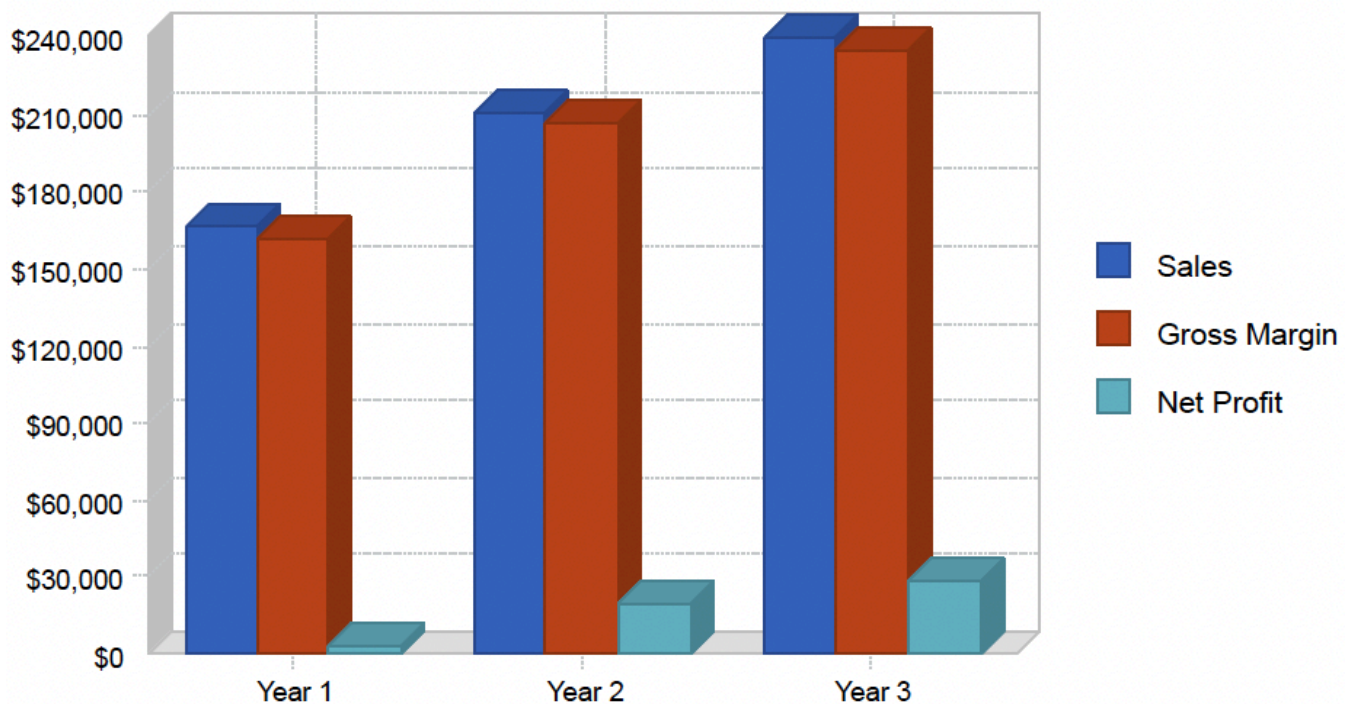
The timing is right for starting this new venture. Patiently searching for six months for the perfect location, one was finally found. The demand from the owner's clients, as well as the ambitions of the owner to one day start her own salon, and the procurement of highly professional and qualified beauticians to support the salon, has made this business one of great potential.

Curly Comb, co-owner with Roller Comb, Jr., her husband, has worked in a prestigious, upscale salon in MyTown, Texas for the past two years. Curley has created a large client following through hard work and dedication. Curley, and her talented team of beauticians, has what it

takes to make this venture an extremely successful one.

We expect our growing reputation to lead to new clients and beauticians to support our anticipated growth. To achieve our objectives, Trend Setters is seeking additional loan financing. This loan will be paid from the cash flow from the business, and will be collateralized by the assets of the company, and backed by the character, experience, and personal guarantees of the owners.

Chart: Highlights



Keys to success

The keys to success in our business are:

- Location: providing an easily accessible location for customers.
- Environment: providing an environment conducive to giving relaxing and professional service.
- Convenience: offering clients a wide range of services in one setting, and extended business hours.
- Reputation: reputation of the owner and other "beauticians" as providing superior personal service.

Company Summary

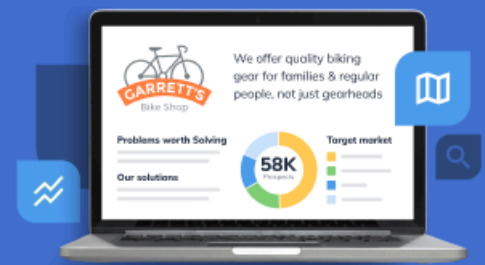
Trend Setters will, upon commencement of operations, sell a wide range of beauty services and products. We will provide quality hair, nail, and skin services, along with top lines of beauty products. What will set Trend Setters apart from the competition is our commitment to providing all of these services in one convenient location.

The salon will be located in a retail strip mall at 1234 Stylish Road, MyTown. The salon will utilize 1,540 square feet. The location is strategically situated on one of the busiest streets in MyTown. It is a high profile area, with easy access from all parts of town.

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Start-Up Summary

After spending several months searching for a salon to purchase, the owners decided to start a salon from the ground up. The start-up capital will be used for the design, leasehold improvements, and equipment of the salon.

Leasehold improvements will amount to approximately \$32,500, and salon equipment will cost about \$27,000. The owner will invest \$500 for cash-on-hand at starting date.

Table: Start-up Requirements

Start-up Expenses

Rent deposit	\$1,817
Other	\$0
Total Start-up Expenses	\$1,817

Start-up Assets

Cash Required	\$500
Other Current Assets	\$600
Long-term Assets	\$59,500
Total Assets	\$60,600

Total Requirements	\$62,417
---------------------------	-----------------

Table: Start-up Funding

Start-up Funding

Start-up Expenses to Fund	\$1,817
Start-up Assets to Fund	\$60,600
Total Funding Required	\$62,417

Assets

Non-cash Assets from Start-up	\$60,100
Cash Requirements from Start-up	\$500
Additional Cash Raised	\$0
Cash Balance on Starting Date	\$500

Liabilities

Current Borrowing	\$0
Long-term Liabilities	\$61,917
Accounts Payable (Outstanding Bills)	\$0
Other Current Liabilities (interest-free)	\$0
Total Liabilities	\$61,917

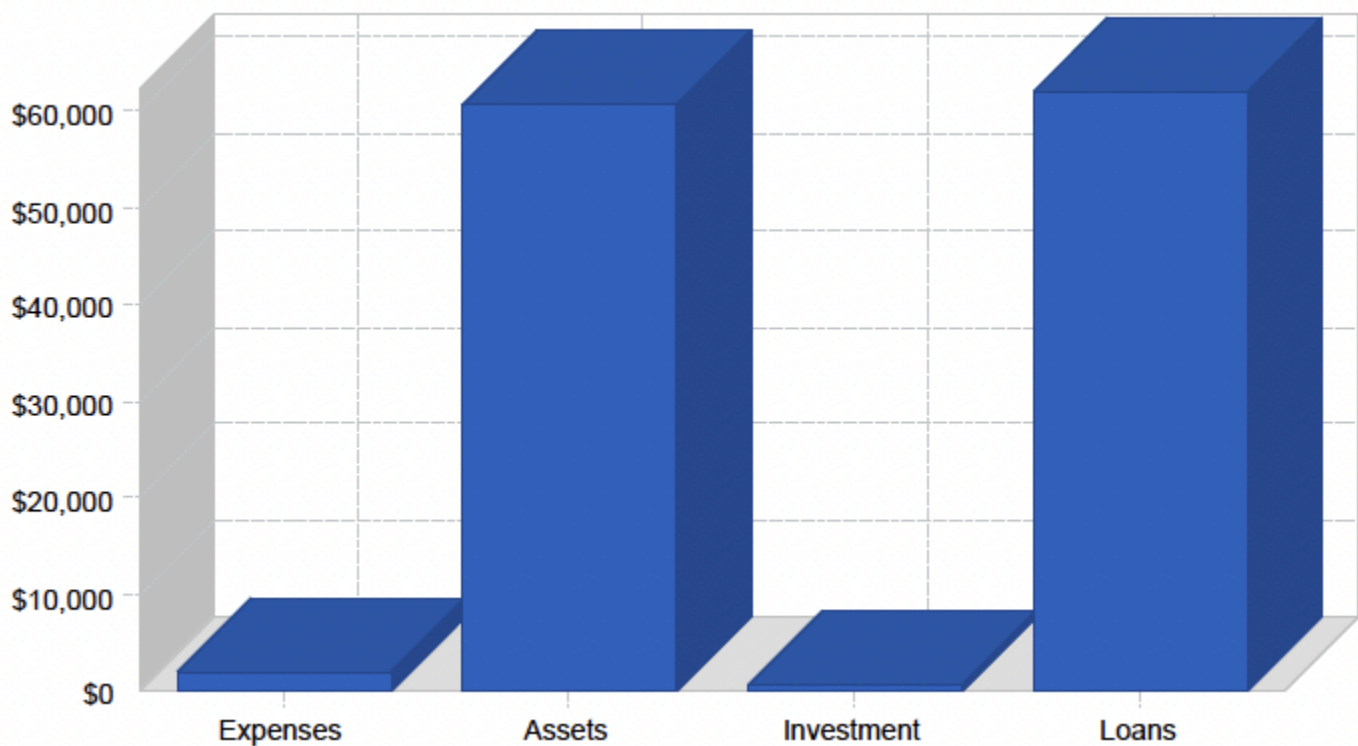
Capital

Planned Investment	
Owner	\$500
Investor	\$0
Additional Investment Requirement	\$0
Total Planned Investment	\$500

Loss at Start-up (Start-up Expenses)	(\$1,817)
Total Capital	(\$1,317)

Total Capital and Liabilities	\$60,600
Total Funding	\$62,417

Chart: Start-up



Products & Services

Trend Setters is considered an upscale full-service beauty salon. We will offer a wide range of services that include:

Hair

- Cuts
- Relaxers
- Perms
- Colors
- Shampoo
- Conditioning
- Curling
- Reconstructing
- Weaving
- Waving

Nails

- Manicures
- Pedicures
- Polish
- Sculptured nails

Skin Care

- European facials
- Body waxing
- Massage

Strategy & Implementation

Skilled at what we do, good customer service, and creating a pleasant environment for our customers will be important to implementing our business plan.

★ **Pro tip:** Having a hard time defining what makes your business different from your competitors? First off, familiarize yourself with both your direct, and indirect competitors to get a feel for what they offer.

Then, think about these things: do you offer a unique price point? A unique set of features or product offerings? A unique experience? Are you, or your team, subject matter experts? Weave these points into your competitive edge.

Competitive Edge

Trend Setters wants to set itself apart from other beauty salons that may offer only one or two types of services. Having come from such a salon, Curley has realized, from talking with her clients, that they desire all of the services that we are proposing, but they remain frustrated because they must get their hair done at one place, and nails done at another. Although the focus of Trend Setters is hair services, we do wish to offer our clients the convenience of these other services in one location.

There are a number of salons like ours, but they are mainly in the very high income parts of MyTown and surrounding areas. We do not intend to compete with these so called "Day Spas." We wish to offer a middle ground for clients who can't quite afford those high-end luxury salons.

Our business atmosphere will be a relaxing one where clients can kick back and be pampered. Soft drinks will be offered to clients as they enter for service. Televisions will be located in the waiting and hair-drying area.

★ **Pro tip:** Still struggling? [LivePlan Assistant will generate ideas](#) for how to better define your competitive edge. You can then insert these suggestions into your plan directly or continue to ideate until your value is perfectly documented.

Marketing Strategy

Our marketing strategy is simple: satisfied clients are our best marketing tool. When a client leaves our business with a new look, he or she broadcasts our name and quality to the public. Most of our clients will be referrals from existing clients.

No major advertising campaigns are anticipated. Our research has shown that word of mouth is the best advertising for this type of business. We will, however, run specials throughout the week. We will also ask clients for referrals, and reward them with discounted or free services depending on the number of clients they bring.

We will also offer discounts to new clients who have been referred. There are plans for a lottery that will offer a free trip to, say, Cancun. A client would simply refer new clients to us, and we would place a card in a box for each client he or she brings. The more clients they bring, the more chances they have of winning the trip.

Sales Forecast

We anticipate the highest peak in the months of November and December in our sales forecast, due to the holiday seasons. In November, there is Ramadan, and for non-muslim Malaysians and Indonesians, it means vacation time. Approximately 1.5 million Indonesians visit Singapore each year, mostly for shopping and dining. Then in December, we anticipate more tourists coming into Singapore; this explains the jump in sales over the last two months of the year.

★ **Pro tip:** Starting a forecast for the first time? Simply start by creating a two column list. The first column just lists ways in which you'll make money (or are already making money). These are your revenue streams and will go into your sales forecast. The second column lists costs or expenses you might incur. These can then be broken down into direct and indirect costs and used in your financial forecast as well.

Not sure how you'll make money or what your expenses might be? [LivePlan Assistant's Suggested Forecast Categories](#) will generate suggestions for revenue streams, direct costs, personnel, and expenses specific to your business.

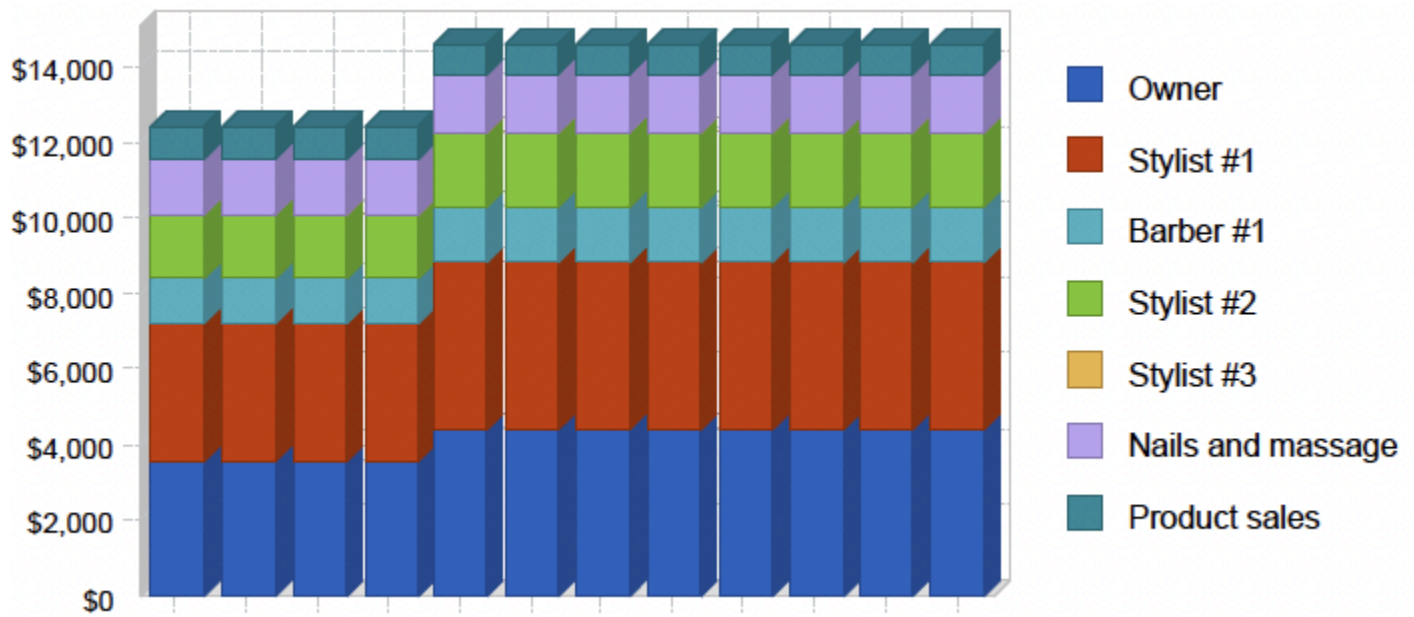
Sales Forecast

Sales	Year 1	Year 2	Year 3
Owner	\$49,600	\$57,040	\$65,696
Stylist #1	\$49,600	\$57,040	\$65,596
Barber #1	\$16,800	\$19,320	\$22,218
Stylist #2	\$22,800	\$25,622	\$29,465
Stylist #3	\$0	\$22,000	\$24,000
Nails and massage	\$18,000	\$20,000	\$22,000

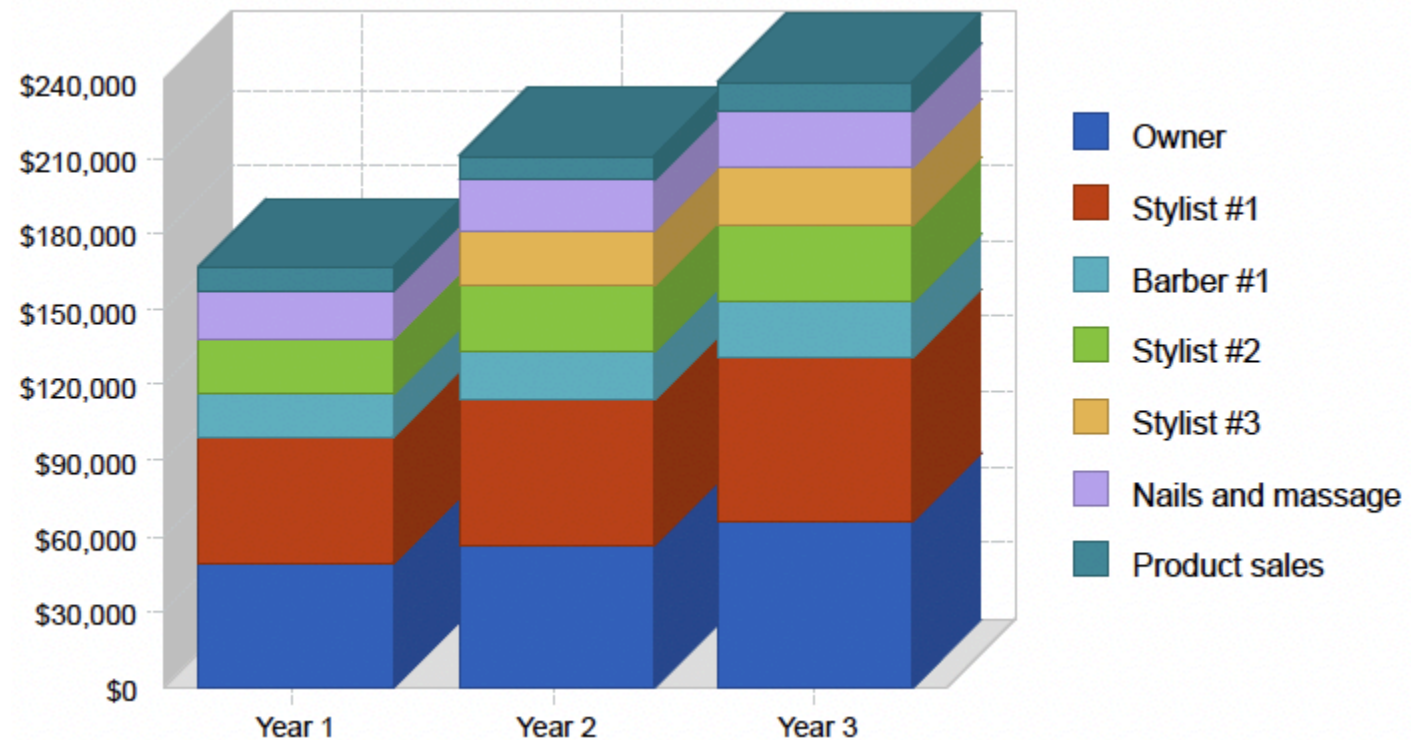
Product sales	\$9,600	\$10,000	\$11,000
Total Sales	\$166,400	\$211,022	\$239,975

Direct Cost of Sales	Year 1	Year 2	Year 3
Product Costs	\$4,320	\$4,300	\$4,400
Other	\$0	\$0	\$0
Subtotal Direct Cost of Sales	\$4,320	\$4,300	\$4,400

Sales Monthly



Sales By Year



Milestones

The milestones table and chart show the specific detail about actual program activities that should be taking place during the year. Each one has its manager, starting date, ending date, and budget. During the year we will be keeping track of implementation against plan, with reports on the timely completion of these activities as planned.

Milestone	Start Date	End Date	Budget	Manager	Department
Sample Milestones	January 4	January 4	\$0	Joe G.	Reception
Finish Business Plan	September 3	October 3	\$100	Roller C.	CEO
Acquire Financing	September 13	November 2	\$200	Curly C.	Co-CEO
Ah HA! Event	September 23	September 28	\$60	Marianne	Reception & Events
Ah Merde Alors! Event	October 23	October 28	\$250	Marionette	Reception & Events
Grand Opening	November 2	November 7	\$500	Marionette	Reception & Events
Marketing Program Starts	October 3	October 28	\$1,000	Dennis	Intern
Plan vs. Actual Review	February 28	March 7	\$0	Roller C.	CEO
First Break-even Month	July 7	August 7	\$0		
Hire Employees	May 31	June 30	\$150	Curly C	Co-CEO
Totals			\$2,360		

Management Summary

Trend Setters will be organized and managed in a creative and innovative fashion to generate very high levels of customer satisfaction, and to create a working climate conducive to a high degree of personal development and economic satisfaction for employees.

Training classes to help improve employee product knowledge and skills will be conducted on a regular basis. As the business grows, the company will consider offering an employee benefit package to include health and vacation benefits for everyone.

Personnel Plan

The personnel plan calls for a receptionist who will greet customers and receive payments for services and products. There will be five hair stylists, one barber, one nail technician, one facialist, and a massage therapist. Everyone but the receptionist will be contract workers, and will be paid a sliding commission scale based on the amount of revenue created. Future plans include the hiring of a shampoo technician as the business expands.

In the first year, assumptions are that there will only be three hair stylists, a barber, and part time nail, facial, and massage technician until the business can build a reputation that will attract others to work there.

Personnel

Personnel Plan	Year 1	Year 2	Year 3
Owner (Stylist)	\$24,000	\$25,000	\$26,000
Receptionist	\$14,400	\$15,120	\$15,876
Shampoo Tech	\$8,000	\$12,400	\$13,000
Total People	3	3	3
Total Payroll	\$46,400	\$52,520	\$54,876

Financial Plan

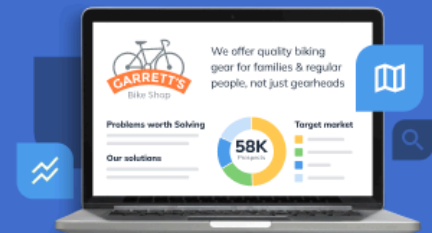
Our goal is to be a profitable business beginning in the first month. The business will not have to wait long for clients to learn about it since the stylists will already have an existing client base.

To assure the start-up funds lender that the owners are financially stable, a personal financial statement is enclosed illustrating other sources of income that include interest and dividend income from investments (\$2,840), salary income (\$29,658), and commission income (\$15,000).

Stuck on the numbers?

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Important Assumptions

The financials that are enclosed have a number of assumptions:

Revenues will grow at an annual rate of 15%, increasing 20% in November and December due to a historical jump in revenues at this time of year. We anticipate this increase to stay steady throughout the following year to account for the normal flow of new clients coming into the salon. Estimates for sales revenue and growth are intentionally low, while anticipated expenses are exaggerated to the high side to illustrate a worst case scenario.

We did not use cost of goods sold in our calculations of net service sales, but included all related recurring expenses, such as payroll and supplies, in the operating expenses area of the profit and loss table. The only direct costs in the sales forecast are for projected product sales.

Product sales are a minimal part of our market. We are not quite sure how much revenue will be derived from products, so we took a low-ball approach and estimated sales of \$800 a month.

Also in the sales projections table are services such as nails and massages. We are not quite sure how much revenue these two services will generate. We are certain that in time these services will be a large part of our revenue, but to err on the conservative side, we estimate revenues from these services to be only \$1,500 a month for the first year.

General Assumptions

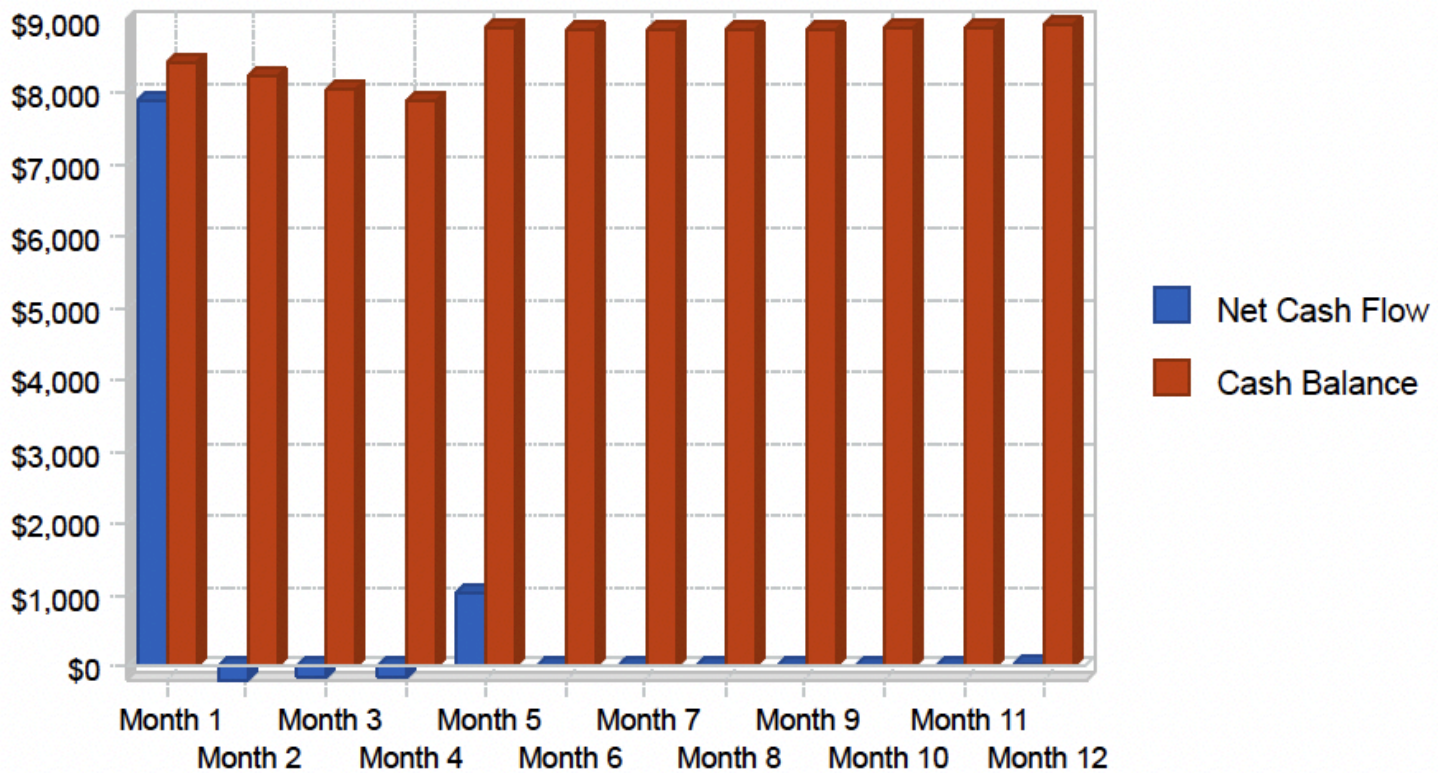
General Assumptions	Year 1	Year 2	Year 3
Plan Month	1	2	3
Current Interest Rate	10%	10%	10%
Long-Term Interest Rate	10%	10%	10%
Tax Rate	30%	30%	30%
Other	0	0	0

★ Pro tip: Not a numbers person? No problem. While you can certainly crunch these numbers yourself in spreadsheets, LivePlan makes calculating these numbers much easier with [automatic financials, charts, and graphs](#). You won't have to worry about making sure you have the right formulas or that your financials are accurate.

Projected Cash Flow

We expect to manage cash flow over the next three years simply by the growth of the cash flow of the business. The business will generate more than enough cash flow to cover all of its expenses.

Cash



Cash Flow

Pro Forma Cash

Cash Received Year 1 Year 2 Year 3

Cash from Operations

Cash Sales	\$166,400	\$211,022	\$239,975
Subtotal Cash from Operations	\$166,400	\$211,022	\$239,975

Additional Cash Received

Sales Tax, VAT, HST/GST Received	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0

Trend Setters Hair Studio

New Investment Received	\$0	\$0	\$0
Subtotal Cash Received	\$166,400	\$211,022	\$239,975

Expenditures

Expenditures from Operations			
Cash Spending	\$46,400	\$52,520	\$54,876
Bill Payments	\$99,540	\$128,730	\$147,285
Subtotal Spent on Operations	\$145,940	\$181,250	\$202,161

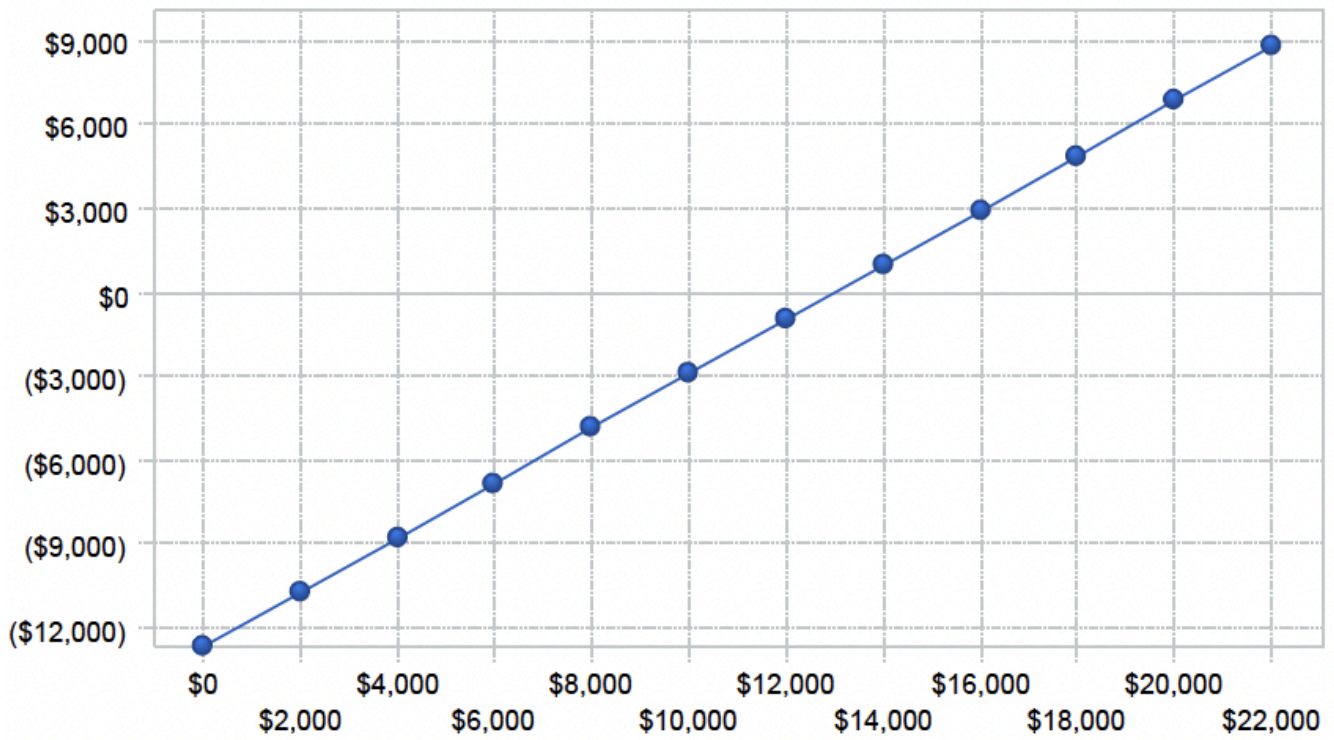
Additional Cash Spent

Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$12,000	\$12,000	\$12,000
Purchase Other Current Assets	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0
Dividends	\$0	\$0	\$0
Subtotal Cash Spent	\$157,940	\$193,250	\$214,161
Net Cash Flow	\$8,460	\$17,772	\$25,814
Cash Balance	\$8,960	\$26,733	\$52,547

Break-even Analysis

The break-even analysis shows that Trend Setters has a good balance of fixed costs and sufficient sales strength to remain healthy. This calculation is focused on service sales, and excludes costs related to product sales. Our conservative forecast shows the salon just passing the break-even point throughout most of the first year, but we expect actual sales to be higher.

Break-even Analysis



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Break-even Analysis

Monthly Revenue Break-even	\$12,995
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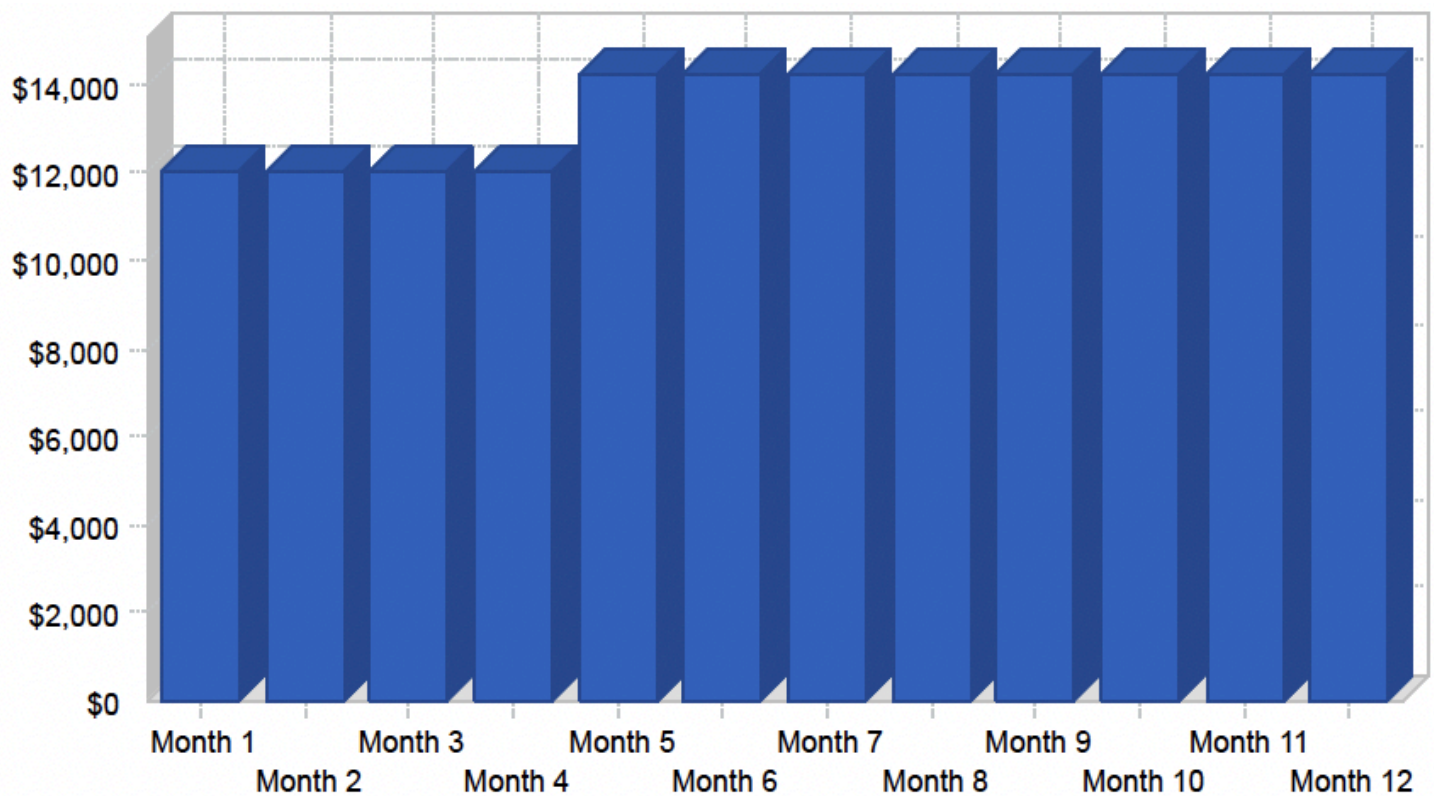
Assumptions:

Average Percent Variable Cost	3%
Estimated Monthly Fixed Cost	\$12,657

Projected Profit and Loss

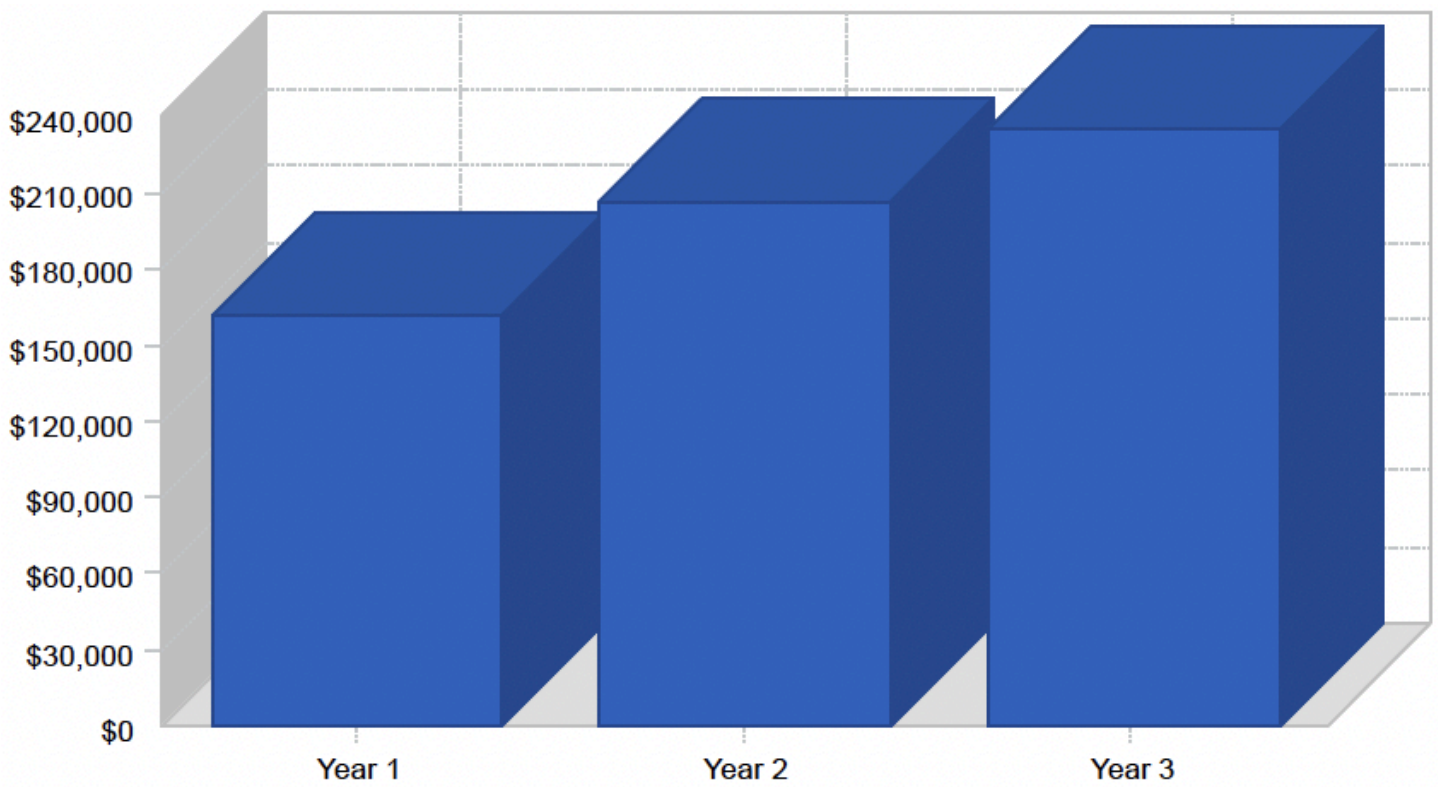
The following table shows our very conservative profit and loss projections for the next three years. The table includes the payments for all independently contracted stylists and technicians, as well for all regularly occurring supply expenses associated with service sales.

Gross Margin Monthly



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Gross Margin Yearly



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Profit and Loss

Pro Forma Profit and Loss

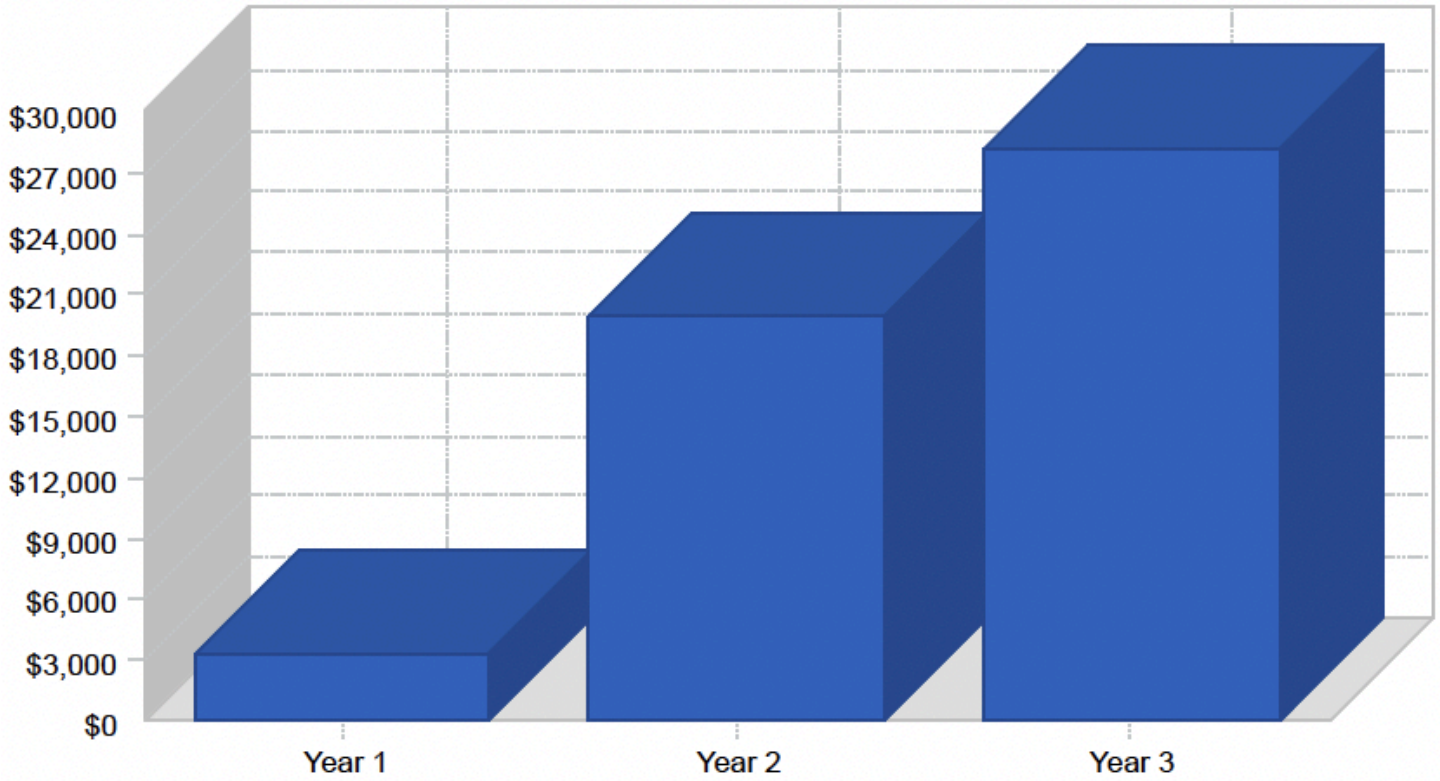
	Year 1	Year 2	Year 3
Sales	\$166,400	\$211,022	\$239,975
Direct Cost of Sales	\$4,320	\$4,300	\$4,400
Other Costs of Sales	\$0	\$0	\$0
Total Cost of Sales	\$4,320	\$4,300	\$4,400
Gross Margin	\$162,080	\$206,722	\$235,575
Gross Margin %	97.40%	97.96%	98.17%

Expenses

Payroll	\$46,400	\$52,520	\$54,876
Marketing/Promotion	\$22,800	\$24,000	\$26,000
Depreciation	\$8,146	\$8,146	\$8,146
Rent	\$22,740	\$22,740	\$22,740
Utilities	\$4,200	\$4,200	\$4,200
Insurance	\$1,200	\$1,200	\$1,200
Payroll Taxes	\$0	\$0	\$0
Independently contracted stylists	\$40,400	\$55,000	\$69,000
Supplies	\$6,000	\$6,000	\$6,000
Other	\$0	\$0	\$0
Total Operating Expenses	\$151,886	\$173,806	\$192,162

Profit Before Interest and Taxes	\$10,194	\$32,916	\$43,413
EBITDA	\$18,340	\$41,062	\$51,559
Interest Expense	\$5,542	\$4,392	\$3,192
Taxes Incurred	\$1,396	\$8,557	\$12,066
Net Profit	\$3,257	\$19,967	\$28,155
Net Profit/Sales	1.96%	9.46%	11.73%

Profit Yearly



*A tool like [LivePlan](#) can help you create a chart like this and automatically include it in your business plan.

Balance Sheet

As shown in the balance sheet, we expect a healthy growth in net worth.

Pro Forma Balance Sheet

Assets	Year 1	Year 2	Year 3
Current Assets			
Cash	\$8,960	\$26,733	\$52,547
Other Current Assets	\$600	\$600	\$600
Total Current Assets	\$9,560	\$27,333	\$53,147
Long-term Assets			
Long-term Assets	\$59,500	\$59,500	\$59,500
Accumulated Depreciation	\$8,146	\$16,292	\$24,438
Total Long-term Assets	\$51,354	\$43,208	\$35,062
Total Assets	\$60,914	\$70,541	\$88,209
Liabilities and Capital			
	Year 1	Year 2	Year 3
Current Liabilities			
Current Liabilities			
Accounts Payable	\$9,057	\$10,717	\$12,230
Current Borrowing	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0
Subtotal Current Liabilities	\$9,057	\$10,717	\$12,230
Long-term Liabilities	\$49,917	\$37,917	\$25,917
Total Liabilities	\$58,974	\$48,634	\$38,147
Paid-in Capital	\$500	\$500	\$500
Retained Earnings	(\$1,817)	\$1,440	\$21,407
Earnings	\$3,257	\$19,967	\$28,155
Total Capital	\$1,940	\$21,907	\$50,062
Total Liabilities and Capital	\$60,914	\$70,541	\$88,209
Net Worth	\$1,940	\$21,907	\$50,062

Business Ratios

Business ratios for the years of this plan are shown below. Industry profile ratios based on the Standard Industrial Classification (SIC) Index code 7231, Beauty Shops, are shown for comparison.

Ratio Analysis	Year 1	Year 2	Year 3	Industry Profile
Sales Growth	n.a.	26.82%	13.72%	7.35%

Percent of Total Assets

Other Current Assets	0.98%	0.85%	0.68%	50.11%
Total Current Assets	15.69%	38.75%	60.25%	64.74%
Long-term Assets	84.31%	61.25%	39.75%	35.26%
Total Assets	100.00%	100.00%	100.00%	100.00%
Current Liabilities	14.87%	15.19%	13.86%	21.71%
Long-term Liabilities	81.95%	53.75%	29.38%	25.39%
Total Liabilities	96.82%	68.94%	43.25%	47.10%
Net Worth	3.18%	31.06%	56.75%	52.90%

Percent of Sales

Sales	100.00%	100.00%	100.00%	100.00%
Gross Margin	97.40%	97.96%	98.17%	100.00%
Selling, General & Administrative Expenses	95.45%	88.50%	86.43%	67.01%
Advertising Expenses	4.90%	3.86%	3.39%	2.18%
Profit Before Interest and Taxes	6.13%	15.60%	18.09%	4.59%

Main Ratios

Current	1.06	2.55	4.35	1.97
Quick	1.06	2.55	4.35	1.46
Total Debt to Total Assets	96.82%	68.94%	43.25%	53.38%
Pre-tax Return on Net Worth	239.86%	130.21%	80.34%	8.92%
Pre-tax Return on Assets	7.64%	40.44%	45.60%	19.14%

Additional Ratios

	Year 1	Year 2	Year 3	
Net Profit Margin	1.96%	9.46%	11.73%	n.a
Return on Equity	167.90%	91.15%	56.24%	n.a

Activity Ratios

Accounts Payable Turnover	11.99	12.17	12.17	n.a
Payment Days	27	28	28	n.a
Total Asset Turnover	2.73	2.99	2.72	n.a

Trend Setters Hair Studio

Debt Ratios

Debt to Net Worth	30.41	2.22	0.76	n.a
Current Liab. to Liab.	0.15	0.22	0.32	n.a

Liquidity Ratios

Net Working Capital	\$503	\$16,616	\$40,917	n.a
Interest Coverage	1.84	7.50	13.60	n.a

Additional Ratios

Assets to Sales	0.37	0.33	0.37	n.a
Current Debt/Total Assets	15%	15%	14%	n.a
Acid Test	1.06	2.55	4.35	n.a
Sales/Net Worth	85.79	9.63	4.79	n.a
Dividend Payout	0.00	0.00	0.00	n.a

Appendix

Sales Forecast (With Monthly Detail)

Sales		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Owner	0%	\$3,600	\$3,600	\$3,600	\$3,600	\$4,400	\$4,400	\$4,400	\$4,400	\$4,400	\$4,400	\$4,400	\$4,400
Stylist #1	0%	\$3,600	\$3,600	\$3,600	\$3,600	\$4,400	\$4,400	\$4,400	\$4,400	\$4,400	\$4,400	\$4,400	\$4,400
Barber #1	0%	\$1,200	\$1,200	\$1,200	\$1,200	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Stylist #2	0%	\$1,700	\$1,700	\$1,700	\$1,700	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Stylist #3	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Nails and massage	0%	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Product sales	0%	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800
Total Sales		\$12,400	\$12,400	\$12,400	\$12,400	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600
Direct Cost of Sales		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Product Costs		\$360	\$360	\$360	\$360	\$360	\$360	\$360	\$360	\$360	\$360	\$360	\$360
Other		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Direct Cost of Sales		\$360	\$360	\$360	\$360	\$360	\$360	\$360	\$360	\$360	\$360	\$360	\$360

Personnel (With Monthly Details)

Personnel Plan		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Owner (Stylist)	0%	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Receptionist	0%	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Shampoo Tech	0%	\$0	\$0	\$0	\$0	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Total People		2	2	2	2	3	3	3	3	3	3	3	3
Total Payroll		\$3,200	\$3,200	\$3,200	\$3,200	\$4,200	\$4,200	\$4,200	\$4,200	\$4,200	\$4,200	\$4,200	\$4,200

Profit and Loss Statement (With Monthly Detail)

Pro Forma Profit and Loss		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Sales		\$12,400	\$12,400	\$12,400	\$12,400	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600
Direct Cost of Sales		\$360	\$360	\$360	\$360	\$360	\$360	\$360	\$360	\$360	\$360	\$360	\$360
Other Costs of Sales		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost of Sales		\$360	\$360	\$360	\$360	\$360	\$360	\$360	\$360	\$360	\$360	\$360	\$360
Gross Margin		\$12,040	\$12,040	\$12,040	\$12,040	\$14,240	\$14,240	\$14,240	\$14,240	\$14,240	\$14,240	\$14,240	\$14,240
Gross Margin %		97.10%	97.10%	97.10%	97.10%	97.53%	97.53%	97.53%	97.53%	97.53%	97.53%	97.53%	97.53%
Expenses													
Payroll		\$3,200	\$3,200	\$3,200	\$3,200	\$4,200	\$4,200	\$4,200	\$4,200	\$4,200	\$4,200	\$4,200	\$4,200
Marketing/Promotion		\$1,900	\$1,900	\$1,900	\$1,900	\$1,900	\$1,900	\$1,900	\$1,900	\$1,900	\$1,900	\$1,900	\$1,900
Depreciation		\$633	\$683	\$683	\$683	\$683	\$683	\$683	\$683	\$683	\$683	\$683	\$683
Rent		\$1,895	\$1,895	\$1,895	\$1,895	\$1,895	\$1,895	\$1,895	\$1,895	\$1,895	\$1,895	\$1,895	\$1,895
Utilities		\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350
Insurance		\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Payroll Taxes	15%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Independently contracted stylists		\$2,700	\$2,700	\$2,700	\$2,700	\$3,700	\$3,700	\$3,700	\$3,700	\$3,700	\$3,700	\$3,700	\$3,700
Supplies	15%	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Other		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Expenses		\$11,278	\$11,328	\$11,328	\$11,328	\$13,328	\$13,328	\$13,328	\$13,328	\$13,328	\$13,328	\$13,328	\$13,328
Profit Before Interest and Taxes		\$762	\$712	\$712	\$712	\$912	\$912	\$912	\$912	\$912	\$912	\$912	\$912
EBITDA		\$1,395	\$1,395	\$1,395	\$1,395	\$1,595	\$1,595	\$1,595	\$1,595	\$1,595	\$1,595	\$1,595	\$1,595
Interest Expense		\$508	\$499	\$491	\$483	\$474	\$466	\$458	\$449	\$441	\$433	\$424	\$416
Taxes Incurred		\$76	\$64	\$66	\$69	\$131	\$134	\$136	\$139	\$141	\$144	\$146	\$149
Net Profit		\$178	\$149	\$155	\$161	\$306	\$312	\$318	\$324	\$330	\$336	\$341	\$347
Net Profit/Sales		1.44%	1.20%	1.25%	1.29%	2.10%	2.14%	2.18%	2.22%	2.26%	2.30%	2.34%	2.38%

Cash Flow Statement (With Monthly Detail)

Pro Forma Cash Flow

Cash Received		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Cash from Operations													
Cash Sales		\$12,400	\$12,400	\$12,400	\$12,400	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600
Subtotal Cash from Operations		\$12,400	\$12,400	\$12,400	\$12,400	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600
Additional Cash Received													
Sales Tax, VAT, HST/GST Received	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Current Borrowing		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Other Liabilities (interest-free)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Long-term Liabilities		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Other Current Assets		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Long-term Assets		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Investment Received		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Received		\$12,400	\$12,400	\$12,400	\$12,400	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600	\$14,600
Expenditures													
Expenditures from Operations													
Cash Spending		\$3,200	\$3,200	\$3,200	\$3,200	\$4,200	\$4,200	\$4,200	\$4,200	\$4,200	\$4,200	\$4,200	\$4,200
Bill Payments		\$280	\$8,388	\$8,368	\$8,362	\$8,392	\$9,410	\$9,405	\$9,399	\$9,393	\$9,387	\$9,381	\$9,375
Subtotal Spent on Operations		\$3,480	\$11,588	\$11,568	\$11,562	\$12,592	\$13,610	\$13,605	\$13,599	\$13,593	\$13,587	\$13,581	\$13,575
Additional Cash Spent													
Sales Tax, VAT, HST/GST Paid Out		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Repayment of Current Borrowing		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Liabilities Principal Repayment		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long-term Liabilities Principal Repayment		\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Purchase Other Current Assets		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Long-term Assets		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Spent		\$4,480	\$12,588	\$12,568	\$12,562	\$13,592	\$14,610	\$14,605	\$14,599	\$14,593	\$14,587	\$14,581	\$14,575
Net Cash Flow		\$7,920	(\$188)	(\$168)	(\$162)	\$1,008	(\$10)	(\$5)	\$1	\$7	\$13	\$19	\$25
Cash Balance		\$8,420	\$8,232	\$8,064	\$7,902	\$8,911	\$8,900	\$8,896	\$8,897	\$8,904	\$8,917	\$8,935	\$8,960

Balance Sheet (With Monthly Detail)

Pro Forma Balance Sheet

Assets	Stating Balances	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Current Assets													
Cash	\$500	\$8,420	\$8,232	\$8,064	\$7,902	\$8,911	\$8,900	\$8,896	\$8,897	\$8,904	\$8,917	\$8,935	\$8,960
Other Current Assets	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600
Total Current Assets	\$1,100	\$9,020	\$8,832	\$8,664	\$8,502	\$9,511	\$9,500	\$9,496	\$9,497	\$9,504	\$9,517	\$9,535	\$9,560
Long-term Assets													
Long-term Assets	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500	\$59,500
Accumulated Depreciation	\$0	\$633	\$1,316	\$1,999	\$2,682	\$3,365	\$4,048	\$4,731	\$5,414	\$6,097	\$6,780	\$7,463	\$8,146
Total Long-term Assets	\$59,500	\$58,867	\$58,184	\$57,501	\$56,818	\$56,135	\$55,452	\$54,769	\$54,086	\$53,403	\$52,720	\$52,037	\$51,354
Total Assets	\$60,600	\$67,887	\$67,016	\$66,165	\$65,320	\$65,646	\$64,952	\$64,265	\$63,583	\$62,907	\$62,237	\$61,572	\$60,914
Liabilities and Capital													
		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Current Liabilities													
Accounts Payable	\$0	\$8,109	\$8,089	\$8,084	\$8,078	\$9,097	\$9,091	\$9,086	\$9,080	\$9,074	\$9,069	\$9,063	\$9,057
Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Current Liabilities	\$0	\$8,109	\$8,089	\$8,084	\$8,078	\$9,097	\$9,091	\$9,086	\$9,080	\$9,074	\$9,069	\$9,063	\$9,057
Long-term Liabilities	\$61,917	\$60,917	\$59,917	\$58,917	\$57,917	\$56,917	\$55,917	\$54,917	\$53,917	\$52,917	\$51,917	\$50,917	\$49,917
Total Liabilities	\$61,917	\$69,026	\$68,006	\$67,001	\$65,995	\$66,014	\$65,008	\$64,003	\$62,997	\$61,991	\$60,986	\$59,980	\$58,974
Paid-in Capital	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Retained Earnings	(\$1,817)	(\$1,817)	(\$1,817)	(\$1,817)	(\$1,817)	(\$1,817)	(\$1,817)	(\$1,817)	(\$1,817)	(\$1,817)	(\$1,817)	(\$1,817)	(\$1,817)
Earnings	\$0	\$178	\$327	\$482	\$642	\$949	\$1,261	\$1,579	\$1,903	\$2,232	\$2,568	\$2,909	\$3,257
Total Capital	(\$1,317)	(\$1,139)	(\$990)	(\$835)	(\$675)	(\$368)	(\$56)	\$262	\$586	\$915	\$1,251	\$1,592	\$1,940
Total Liabilities and Capital	\$60,600	\$67,887	\$67,016	\$66,165	\$65,320	\$65,646	\$64,952	\$64,265	\$63,583	\$62,907	\$62,237	\$61,572	\$60,914
Net Worth	(\$1,317)	(\$1,139)	(\$990)	(\$835)	(\$675)	(\$368)	(\$56)	\$262	\$586	\$915	\$1,251	\$1,592	\$1,940

Next Steps

Applying for funding?

You'll want to be sure your pitch and finished plan are well thought through and accurate, and that you've thought through questions a lender might ask. LivePlan's step-by-step guidance, automated financials, expert support, and visual charts and graphs will help you write a business plan that'll maximize your chances of securing funding. Your finished plan will be in a format lenders and investors will expect to see, and you'll be able to confidently answer any question they may ask. [Learn more →](#)

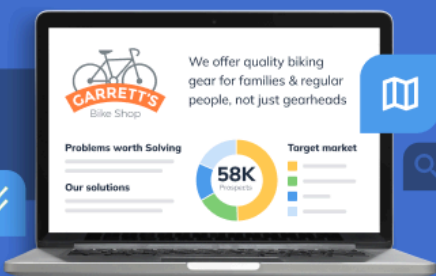
Validating a business idea?

You likely don't have any historical data yet so you'll want to be sure you've put some serious thought into all the factors going into your plan and forecast. Ensure that you've thoroughly thought through your target market and the problem you're solving as well as your business model and financials. Also, make sure you're going out into the world and talking to your potential customers! LivePlan will help you forecast your revenue to see if your idea is financially sound and provide competitor benchmarks for the ultimate reality check. [Learn more →](#)

Growing your business?

You'll want to compare your forecast to your actual business performance (plan vs. actuals). Doing so will help you spot where your forecast was accurate (or off), and determine opportunities for growth. LivePlan's Dashboard easily connects with [QuickBooks or Xero](#) to give you a detailed look at how your actual revenue measures up to projections, so you can make informed business decisions with confidence. [Learn more →](#)

★ **Pro Tip:** If you haven't already - be sure to go back and finish your Executive Summary (which we recommended you save for last).



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- Step-by-step guidance
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