

# Executive Summary

Urban Edge Barbers is a young, contemporary and fashion-forward barber shop targeting individuals aged 18-25 within the local community. The company plans to differentiate itself through its cutting-edge haircuts, beard grooming services, and a range of high-quality hair care products.

The company is structured as an owner-operated small business, helmed by seasoned barber and experienced entrepreneur, Jordan Smith. Alongside him, the business comprises a dynamic team including receptionist and customer relations expert Alex Taylor, and marketing specialist Riley Morgan.

In terms of operations, the business intends to operate from Monday to Saturday, between 9 AM and 7 PM. Staff shifts will be organized on a rotational basis to ensure constant service availability during operating hours, supplemented by regular stock checks, quality control measures, and an effective system for gathering customer feedback.

The marketing and sales strategy rests on multiple pillars: maintaining an active social media presence on platforms like Instagram and Facebook, local advertising through collaboration with local businesses, a customer referral program, an easy-to-navigate website equipped with an online booking feature, and active participation in local community events.

Given the competitive business landscape, key risks include market competition, economic downturns, staff turnover, changing consumer trends, and operational disruptions. Mitigation measures include differentiation through unique offerings, staying up-to-date with industry trends, maintaining competitive prices, offering conducive work environments to staff, and proactively scheduling regular equipment maintenance.

In terms of competition, the business identifies "Style Studio Salon," "Downtown Gents Barbershop," and "Modern Mane Men's Salon" as its key competitors. However, thanks to a specialized focus on trendy styles and high-quality personal grooming services, the business holds a unique position in the market.

Financial projections for the next three to five years indicate a trajectory of steady growth. The first year will be primarily devoted to initial investments, with a gradual increase in revenue anticipated. By the end of Year 1, the business expects to break even. From Years 2 to 3, we foresee a steady increase in clientele, leading to an estimated 20% annual growth. As we expand our product line and services, we predict stronger customer retention. In Years 4 and 5, with a solid customer base established, we project an annual revenue growth rate of 25 to 30%, potentially expanding our footprint with a second location.

In conclusion, Urban Edge Barbers is well-armed with a dynamic team, a unique service offering and strategic marketing and operations plans. Thus, we are poised to successfully differentiate our brand in a competitive market and carve out a niche among the younger, style-conscious demographic.

## Business Description

**Business Name and Location:** "Urban Edge Barbers" is slated to launch its flagship location at the bustling heart of the city, known for its young, vibrant community and thriving business ecosystem.

**Business Industry:** Urban Edge Barbers will operate within the grooming and barber service industry, offering an array of premium haircuts and styling services targeted at fashion-conscious clients.

**Business History:** The concept of Urban Edge Barbers was conceived by its founder, Jordan Smith, with over a decade of experience in barbering and an acute understanding of emerging trends within the industry. Recognizing a gap in the market for a dynamic and modern barber shop, the plan for Urban Edge Barbers was put into motion.

**Mission Statement:** "To deliver exceptional grooming experiences, embracing individual style and

personality, one haircut at a time". We aim to offer a personal touch, focusing on tailor-made hair solutions with a blend of contemporary aesthetics, fostering a space where our clients can feel at ease and confident in their style.

**Legal Structure:** As a small business entity, Urban Edge Barbers is an owner-operated establishment constituting a sole proprietorship.

**Long-term Potential:** Urban Edge Barbers aims to establish itself as a trailblazer in the local market over the span of the initial three years, post which the plan is to scale and replicate our business model across multiple locations. Leveraging digital marketing and a strong community presence, Urban Edge Barbers anticipates the steady acquisition of a loyal client base, which will underpin its long-term growth strategy.

Financially, in the first year, the business anticipates a period dominated by initial costs and investments, with revenue growth gradually increasing, culminating in breakeven by year-end. As the company moves into years two and three, a steady increase in revenue coupled with the addition of new services and products is forecasted to contribute to a 20% year-on-year growth. By the close of the fifth year, the business expects to have established a strong customer base and is forecasted to witness a robust increase in revenue growth by 25%-30%.

In congruence with solidifying its financial standing, Urban Edge also plans to explore the viability of diversification and expansion via the launch of related grooming products under the Urban Edge brand.

In conclusion, Urban Edge Barbers is positioned to make a substantial impact on the local grooming service industry with its modern approach to barbering. Focusing on quality, personalization, and keeping abreast of the latest fashion trends, the business is primed for success, positioning it well for future expansion and growth.

## **Market Research and Analysis**

The business we're launching is Urban Edge Barbers, located in the heart of a bustling city catering largely to stylish young professionals in search of a versatile and cutting-edge grooming experience. The barber industry presently is a booming \$5 billion market, witnessing positive growth trends over the past half-decade, and is expected to maintain this trajectory considering the increasing emphasis on personal grooming and appearance within our target market.

Our primary customers consist of trendy and fashion-conscious individuals aged between 18 and 25, a demographic that currently represents a sizeable 20% of the city's population. However, our target market extends to any individual seeking a fresh and contemporary grooming experience. The growth potential of this market is significant, given the rising population of young professionals in the city and the projected growth rate of 3-5% per annum.

Based on our market research, this demographic prioritizes not just quality and efficiency in their barbering services, but also a space where the latest style trends are not just followed but created. This market demands personalized services, a creative approach to grooming, and flexible availability of appointments.

Observing the latest market trends and patterns, we discern a robust growth potential in a barber shop model that not merely offers grooming services but also doubles as a meet-up location, solidifying their cool-hangout reputation. The trend is towards experiential barbering spaces.

Our key competitors are "Style Studio Salon," "Downtown Gents Barbershop," and "Modern Mane Men's Salon." Style Studio Salon holds a significant 20% market share, backed by its traditional service offering and robust market presence. Downtown Gents Barbershop, with a 15% market share, banks on its vintage charm and is popular among the older demographic. Modern Mane Men's Salon, holding a 10% market share, offers similar services to ours but lacks emphasis on personalization.

Although our market is reasonably competitive, our business model that combines an up-to-date grooming service with an experiential space sets us apart. Our lead barber Jordan Smith's expertise, combined with Alex Taylor's client service skills and Riley Morgan's innovative marketing strategies, make up a formidable trio providing us an edge over our competitors.

The potential barriers in our way to market entry may include obtaining appropriate licensing, recruiting skilled staff, establishing supply chains for premium grooming products, and standing out in a competitive marketplace. Strategies to overcome these barriers include ensuring rigorous compliance with regulations, providing attractive employment packages for quality talent, establishing relationships with topnotch suppliers, and a robust and distinct market presence using innovative branding strategies.

In conclusion, Urban Edge Barbers is well-placed to make a significant impact in the booming barbering industry. With a clear understanding of our target market needs, a robust plan to negotiate barriers, and a dynamic team to execute this vision, we expect profitable growth over the coming years.

## **Organizational Structure and Management**

Urban Edge Barbers operates under a flat organisational structure aimed at promoting collaboration and enhancing efficiency. At the apex of the structure is the owner and lead barber, Jordan Smith. He is ably supported by Alex Taylor, a seasoned customer relations specialist who handles all reception duties, including appointment scheduling. Assisting them in crafting brand visibility and growth is Riley Morgan, the team's marketing strategist.

Despite its seemingly compact size, the team encapsulates a wealth of experience and expertise in their respective roles. Jordan, with over a decade of experience in the art of barbering, remains on top of modern men's hairstyles. Alex is a customer service maven with an unparalleled mastery of organizational logistics, while Riley, a degree holder in marketing, brings on board cutting-edge digital marketing techniques.

In anticipation of business growth and expansion, more staff will be hired to meet the demand. Current projections suggest the need for two additional barbers in the next two years and a possible recruitment of a human resource manager should the business scale up faster.

Urban Edge Barbers believe in fostering a culture of mutual respect and swift resolution of staff disputes, hence the need for transparent human resource hiring policies and practices. To maintain a harmonious working environment, the business will endeavor to ensure equality in recruitment. Detailing staff obligations, leave allocations, working hours, and remuneration will be clearly stipulated in the employee handbook.

The business will rely on the expertise of external consultants, mainly for legal and financial advice. A local accounting firm, Branson & Associates, will provide financial consultation, ensuring that the barber shop complies with local and federal tax law and maintains its financial health.

In summation, Urban Edge Barbers exemplifies a potent mixture of expertise, innovative management structure, and sound HR practices that will undoubtedly guarantee its growth and success. The deeply ingrained culture of equality and respect, coupled with its penchant for nurturing talent, speaks volumes about its vision and deliberate focus on becoming a leader in the industry.

## **Products or Services**

Urban Edge Barbers specialises in a range of grooming services including, but not limited to, haircuts, scalp treatments, beard grooming, and a selection of other premium personal grooming services. All services are performed by trained barbers with comprehensive knowledge of hair types, scalp health, and latest trends in men's hairstyles.

The business also offers sales of a curated range of high-quality hair care and beard grooming products. These products have been carefully selected for their superior ingredients, exceptional performance, and ethical manufacturing practices.

One of the unique selling propositions of Urban Edge Barbers is our location-based tailoring of services. Understanding that trends and styles fluctuate based on demographics and location, our team stays ahead of the curve by constantly researching and innovating based on the local fashion landscape.

Currently, the business is in the start-up stage and our team has been diligently working on procuring high-quality equipment, sourcing suppliers for hair and beard care products, recruiting experienced barbers, and finalising the décor to echo the trendy and edgy company ethos.

The Urban Edge Barbers' logo has been registered as a trademark at the United States Patent and Trademark Office (USPTO). The company is also in the process of patenting a unique scalp treatment mix formulated by our lead barber, Jordan Smith. The exact recipe and process are confidential for business reasons.

The production process for services begins with consultation where our barbers understand the client's requirements and make recommendations based on their hair type, face shape, and personal style. Following the service, customers are guided on how to maintain their hair or beard style at home. In terms of products, we have direct tie-ups with national distributors, who source the products from manufacturers, which are then stocked at our shop.

We have multiple suppliers for our product range, ensuring that a shortage from one supplier does not affect our inventory. For instance, our hair care range is supplied by Brilliant Hair Co., a renowned brand in the industry, while beard care products are sourced from two suppliers, Manly Mane and Beard Bros Supply, both well-reputed brands in their own right.

Overall, Urban Edge Barbers stands at the intersection of style, sophistication, and quality, ready to revolutionise the grooming experience of the urban gentleman. Our focus on localized trends and innovation, backed by our intellectual property, outlining the production process, and strategic supplier relations, are the foundational pillars on which this idea is being brought to life.

## **Marketing and Sales Strategy**

The central principle guiding our marketing strategy at Urban Edge Barbers is to cater to the trend-conscious and style-forward needs of our target demographic, young professionals and fashion-forward individuals aged between 18-25 years.

In keeping with this goal, our primary marketing channels will be social media platforms like Instagram and Facebook. By showcasing our diverse range of services, cutting-edge hairstyles, and professional staff, we aim to attract our target customers. Social media platforms also provide opportunities for engaging with customers in a more relaxed and informal way.

Our marketing plan includes regular engagements like themed posts, active interaction with followers, sharing customer testimonials, posting before and after transformation images, and sharing grooming tips and tutorials. We will also focus on local search engine optimization and online reputation management to ensure that we are easy to find and customers find positive reviews about us when they search for us online.

In addition, our sales strategy combines the efforts of our in-shop sales team that includes all our barbers and our receptionist. The team is trained to upsell services and products at the point of sale. This involves suggesting additional services during consultation and product recommendations during or post-service.

Another component of our sales plan is to offer online booking options to our clients. By partnering with

an automated booking software platform, we aim to provide our clients with around-the-clock, easy-to-use, and flexible booking options. This service allows customers to choose their preferred barber, service, and appointment time, which also aids in smooth shop operations and resource allocation.

Urban Edge Barbers believes in value-based pricing. Services are priced based on the complexity, time taken, and the levels of expertise required. We aim to maintain competitive pricing in the area to ensure affordability without compromising on service quality.

Distribution channels cover both our physical location for first-hand services and our online platform for service bookings and product sales. We also anticipate creating relationships with local gyms, corporations, and local universities to provide mobile services to these groups at special events.

For promotion and advertising, we plan to invest in local print media, online pay-per-click (PPC) ads, and industry-specific magazines. The launch of the shop will be promoted heavily with an inauguration event and opening month discounts. A referral program will also be implemented to incentivize existing patrons to bring companions.

Lastly, our customer service policy is focused on 100% customer satisfaction. A feedback system will be implemented to make sure every customer is allowed to voice their opinion. We will offer support through multiple channels such as phone, email, and social media, providing timely and helpful responses to questions or concerns.

Our marketing and sales strategy at Urban Edge Barbers is rooted in understanding our customers, offering high-quality services, and maintaining robust customer relations. It harnesses the power of digital tools while remaining grounded in the principles of genuine hospitality and superb customer service.

## **Operations Plan**

### **Operational Workflow:**

At Urban Edge Barbers, daily operations will be organised by our receptionist and customer relations manager, Alex Taylor, who will maintain an updated scheduling system to ensure appropriate time allocation for each client. Our opening hours will run from 9 AM to 7 PM six days a week with only Sundays being off.

### **Production/Service Delivery Processes:**

Upon arrival, each client will be greeted by our receptionist and checked into our system. After a short waiting period in our comfortable waiting area, our clients will be attended by our skilled barbers who will take time to listen to their preferences before giving them the desired haircut or grooming service.

### **Quality Control Measures:**

The quality of our service delivery will be placed under stringent checks to maintain our high standards. Our barbers will receive regular training under the guidance of our lead barber, Jordan Smith, to ensure they are updated with the latest trends and techniques in men's grooming.

### **Inventory Management:**

We will conduct stock checks at regular intervals to ensure we neither overstock nor understock our inventory of grooming products and supplies. Our inventory will be managed digitally to ensure easy tracking and swift, effective re-stocking from our suppliers.

### **Supply Chain Management:**

Our supply chain will be streamlined and efficient, derived from cemented relationships with trusted

suppliers for grooming products and equipment. We maintain this by negotiating favourable terms that allow for prompt deliveries and quality supplies.

#### Facilities and Equipment Needs:

Urban Edge Barbers will be housed in a comfortable, spacious and modern facility equipped with all the necessary grooming equipment. Our facility will have three barber stations paired with comfortable barber chairs, washbasins, and storage cabinets. There will also be a reception area, waiting area and stock/inventory room. Mirrors, hair trimmers and clippers, scissors, combs, towels, cleaning supplies and protective gear amongst others are part of our initial equipment requirement.

We will use both direct purchase and leasing options for our equipment needs. While equipment like barber chairs and stations will be directly purchased, we might explore leasing options for certain expensive equipment such as high-end hair care and treatment machinery if required in future. All our equipment will be periodically tested to ensure health and safety standards are met.

In conclusion, Urban Edge Barbers ensures a smooth operational plan that guarantees a consistent service experience for our clients, regulated inventory and supply chain management and meeting all facility and equipment needs efficiently and economically.

## Financial Projections

As a start-up looking to disrupt the barber services market, Urban Edge Barbers has worked diligently to prepare a comprehensive financial projection to offer insight into our financial future.

1. **Sales Forecast:** Our sales forecast for the first year is approximately \$150,000, based on reasonable assumptions regarding customer acquisition and product service sales. By strategically marketing our services, offering highly sought-after endorsements, and using our talented team's networking, we intend to outperform these projections.
2. **Profit and Loss Projection:** Considering all overhead costs, we expect to break even by the end of the first year and anticipate a slight profit of around 10% in our second year. By the third year, we aim to see a consistent profit margin near 25%.
3. **Cash Flow Projection:** The cash flow forecast shows that Urban Edge Barbers will have a positive cash flow from the second year onward, after considering all expenses, including staff salaries, rent, maintenance, and advertising costs.
4. **Balance Sheet Projection:** Our balance sheet accounts for all the assets, liabilities, and owner's equity. The primary assets include cash, accounts receivables, and inventory. The liabilities consist of our debts, account payable, and accrued expenses. The owner's equity will be the difference between our assets and liabilities.
5. **Break-Even Analysis:** Based upon cautious market penetration projections and considering overhead and fixed costs, Urban Edge Barbers expects to reach its break-even point by the end of the first year. This will be helped largely by the careful management of cash flow and strict adherence to payment schedules on both the collecting and paying ends.
6. **Financial Assumptions:** The prime financial assumptions include a moderate economy with no major downturns which could affect consumer spending. Additionally, we have assumed a continuous increase in client base and moderate competition in the market over the next five years.
7. **Considerations:** Our financial plan takes into consideration potential risks and challenges including potential economic downturn, staff turnover, increased competition, and market saturation. Strategies for mitigating these risks form an integral part of our business model.

In conclusion, our financial projections suggest an optimistic portrait for Urban Edge Barbers. With sound fiscal management, disciplined work ethics, and an unwavering focus on quality and customer service, the company is expected to make substantial financial gains over the coming years.

## Risk Analysis

**Senior Management Team:** The management team of Urban Edge Barbers is led by Jordan Smith, a barber with over a decade of seasoned experience, who owns and operates the shop. Supporting him is Alex Taylor managing customer relations and the reception, and Riley Morgan, marketing specialist well-versed in digital marketing strategies.

**Capital Requirements:** The initial capital requirement for the establishment of Urban Edge Barbers is approximately \$75,000, which will cover costs associated with leasehold improvements, professional barber chairs, washing units, equipment, initial inventory, working capital, and marketing for the first six months of operation. Jordan Smith will invest \$45,000 from his personal savings, and the remaining amount will be funded through a small business loan.

**Risk Analysis:** Urban Edge Barbers acknowledges that potential risks may come from various sources such as changing market trends, economic instability, operational disruptions, and competition. Each of these risks has been carefully analyzed, and adequate measures have been put into place.

**Market Risks:** One of the main market risks for Urban Edge Barbers comes from competition. Nearby barber shops and salons that offer similar services could pose a threat. To stand out and mitigate this risk, Urban Edge will differentiate itself with unique, high-quality services and a strong brand identity that appeals to the target customer base.

**Operational Risks:** Operational risks such as equipment failure or staff shortages could impact productivity. This risk will be mitigated by having backup equipment and cross-trained staff available at all times.

**Financial Risks:** Financial risks could occur from economic downturns or unforeseen expenses. Urban Edge plans to counter this by maintaining a conservative budget, regularly reassessing the financial landscape, and keeping a contingency fund.

**Legal Risks:** As with any business, there will be legal risks including issues related to employee relations or compliance with health and safety regulations. Urban Edge plans to retain a legal advisor to ensure all activities comply with necessary legal requirements.

**Insurance Considerations:** Urban Edge Barbers has taken insurance quite seriously. Commercial general liability insurance has been procured to protect the business from liability claims for bodily injury and property damage. Additionally, the business has worker's compensation insurance for the staff and will ensure that all insurance policies are updated as the business grows.

Finally, Urban Edge Barbers has established detailed contingency plans in case of any unforeseen circumstances. These include procedures to handle unexpected staff shortages, emergency facility issues, and financial strains. By palpably addressing each risk area and by having a robust contingency plan in place, Urban Edge Barbers is confident about parrying the extensive challenges of the entrepreneurial landscape.