

## BARBER JOE'S BARBER STOP

### *A Plan to Put a 1-Chair Barbershop Inside Valley View Mall in Onalaska, WI*

1. **Problem:** Guys prefer barbers over cosmetologists. Why? Barbers are experts at cutting short hair styles. Cosmetologists are experts at cutting long hair styles. Here's the problem. There are 672,113 cosmetologists and only 58,867 barbers in the entire nation. The shortage of barbers makes it almost impossible for my customers to get:

- Precision short hair style cuts
- Professional beard trims
- Straight-razor shaves
- Perfectly tapered & blended cuts
- Haircuts for black men

2. **Solution:** My new company solves these problems by offering:

- Classic, vintage and popular new short haircut styles for men such as the side-part, flat top and pompadour.
- A line of classic, vintage and popular haircuts for black men such as the fade, taper-fade, Afros and tall boxes.
- Professional beard and mustache shaping.
- Straight-razor neck cleans ups and head, neck, shoulder massage.
- Straight-razor face and head shaves.

3. **Customer Segments:**

- My customers are guys; young, mid-age & old.
- Women interested in guys haircuts.

4. **Unique Value Proposition:**

- All haircuts are done by a real, barber school trained, licensed and experienced barber.
- NO RUSHING! A full 30 minutes is scheduled for every service.
- I guarantee perfectly blended fades and tapers.
- I do every haircut for every client, every time.
- A permanent haircut record is saved on computer for every client.
- I offer online appointments and text reminders.
- Customers are welcome to pay with plastic.

5. **Unfair Advantage:** My new shop utilizes the latest innovation in the barbering industry. It is a pre-fabricated, 1-chair barbershop which I set up and operate inside the local Ace Hardware; a high-traffic, male-centric store. Much of my rent is offset by the massive number of men I attract to their store each year. I have the best location in town and I pay less each month for it than what I used to pay to rent a chair.

6. **Channels:** The location of my shop inside Ace Hardware is its' own advertisement. My shop looks like a barber pole and will sit in the middle of the store. Hundreds of people will walk by each day and see me doing haircuts, beard trims and straight-razor shaves. I have a **website** for those that don't yet frequent the ACE store to find me and **make appointments online**. I also **print and distribute** a large number of business cards, service menus and \$5.00 gift certificates to drive customers to me.

7. **Annual Revenue:** Max Annual Service Revenue: 2 haircuts/Hr, 8 Hrs/Day, 5 Days/Wk, 50 Wks/Yr = 4,000 services per year. Max. Product Revenue: \$2,400

- **Year #1:** \$56,320 (55% capacity) = 2,200 haircuts @ \$25 + \$1,320 in product sales
- **Year #2:** \$104,880 (95% capacity) = 3,800 haircuts @ \$27+ \$2,280 in product sales

8. **Annual Costs to Own and Operate:**

- Pre-fab shop loan = \$831/Mo
- Royalties = \$250/Mo
- Rented space = \$400/Mo
- Non-health insurance = \$18/Mo
- Misc Expenses = \$200/Mo

9. **Loan Sought:** To purchase a Barber Stop franchise and all needed to run it.

- "All Inclusive" Price = \$48,000
- Downpayment: \$5,000
- Principle: \$43,000
- Interest rate: 6% or less
- Term: 5 years
- Monthly payment: \$831/mo. or less