



STEPS TO OPEN A NEW HAIR, BEAUTY, NAIL SALON

Almost every Beauty field employee wants to be a salon owner. Besides them there are a lot of entrepreneurs who want to enter the beauty industry although they may not be skilled in the beauty field. For them it is a pure business opportunity.

Opening up a new salon sounds good but lots of salon owners would realise that in spite of investing the capital in business and taking up all the responsibilities of an owner, they are making almost the same amount of money that they were making when they were in a job.

Opening up a new salon requires lots of preparation and planning other than having the capital amount.

Most of the salons that open up and get closed down within 2 to 3 years or get rented out.

The professional fails to understand that mere being a skilled worker and having worked for a particular number of years in the industry does not qualify him or her to open up a new salon.

One of the biggest mistakes that they make is investing heavily in the interiors of the salon and products, BUT leaving no amount or very little amount for marketing, promotion and branding.

Most of them feel elevated with the idea that clients entering the salon should say "WOOOW" what a salon. But did they consider the service part? Did they have the client retention program in place? Was the salon designed from the client service point of view? And many more questions.....

There are a few steps that I have thought of sharing with you. These steps are not the only steps that need to be followed, there are much more things to do for opening a new salon. As a small guide I am mentioning a few of them here.

It is best to take a Guide or a Consultant who will be able to guide/give consultation for opening a new salon. This will ensure that you do not suffer monetary loss in the initial stages of your business.

Now, let us look at some steps that needs to be followed to open a new salon.

Some points:

- * TYPE or CONCEPT OF SALON/CLINIC
- * BUSINESS / COMPANY FORMATION
- * INVESTMENT
- * LOCATION OF SALON
- * CALCULATE COSTS
- * MENU OR SERVICES DECISION
- * LICENSES
- * HIRE WORKFORCE
- * CONNECT WITH VENDORS

TYPE or CONCEPT OF SALON/CLINIC

It is very important to decide upon the type of concept of the salon that you wish to put up or invest in.

The concept should strictly be on your skills and available skills of workforce in that area or location.

The Concept should be acceptable in the location else the business will be difficult to survive and may need more investment at a later stage to change the concept and continue the business.

BUSINESS / COMPANY FORMATION

The business can be formed in the following ways-

Sole Proprietorship or Single Owner firm

LLP (Limited Liability Partnership)

LLC (Limited Liability Company)

PVT LTD (Private Limited Company)

INVESTMENT

Getting investment is a major hurdle in the setup of a business. Any Business.

You may check out the following:

Private financial institutions

Banks

Private Investors

Foreign Investors

Interested Partnership individuals

Best option is that you invest your own savings for a business.

LOCATION OF SALON

The location should be well scouted and a compulsory exercise of SWOT Analysis to be done.

The Concept should be acceptable in the location else the business will be difficult to survive and may need more investment at a later stage to change the concept and continue the business.

Some would prefer a crowded market area, but it needs to be weighed down whether this market area will be suitable for a salon or no?

Example: setting up a salon in a market area where almost all the shops are selling hardware or plumbing products will not be suitable for a salon.

CALCULATE COSTS

Setup cost consists of 2 major costs broken down

1. Service cost - This includes cost of all raw materials used in service.
2. Overhead cost - Cost of all other expenses not related to products or labour.

Example: Interiors of salon, Rent, Salon equipment, licenses cost, software, branding, marketing etc.

MENU OR SERVICES DECISION

The services that will be offered to clients need to be listed out and a MENU needs to be designed.

The Menu should logically be broken down into section of various services.

The content or words should be convincing to the client for better sales.

Use of latest technology will help a lot

LICENSES

This is one of the most important factors in setting up a business-

You may need different types of licenses depending upon the State and City you are located.

Trade or Establishment License, Health License, Labour License, Shops Act License. MSME – Ministry of Micro, Small & Medium Enterprises, Fire Department clearance. You may need to buy small fire extinguishers.

Check out from a local consultant who will manage all these permissions for you for a fee and you will be tension free to manage your business.

HIRE WORKFORCE

Without the presence of good workforce, the business does not flourish.

It is very important to HIRE GOOD SKILLFULL WORKFORCE

The staff should be hired as per the concept of the business as decided in the earlier stage with an eye to expansion.

The staff should be good in communication and eager to learn.

CONNECT WITH VENDORS

The business needs products and accessories for better services to clients.

The Vendor should be sourced out for a regular supply.

The Vendor should be able to supply you products at a very short notice alternatively easy for you to pick it up.

In Time supply of products will save you money as well as clients.