

PROJECT REPORT

of

SALON BUSINESS

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SALON BUSINESS

INTRODUCTION

The beauty provides happiness forever.

The Salon is a service oriented establishment where men and children receive treatments to enhance their beauty. Skin care, facial makeup, hair nutrition and model haircutting are important activities of salon. At present, there is a provision to use limited number of machinery in various aesthetic therapies. In today's rapidly changing era, every person has become very aware of their makeup, He wants to see himself as a good looking person. In fact, saloon plays an important role in further enhancing the personality of people.

MARKET DEMAND

Salon is a growing business at the present time because this business is directly connected to every human being, and today India is the second largest country in terms of population. Due to this, the increase in market demand of salon is natural. The demand to visit the salon center is mostly found peoples of age group 16 to 50 years, and growth of this age group is highest in India. If the service quality of salon is good, then customers have to wait by booking in advance. In this type of service we also get good orders for hair cutting, facial, body massage for home services, wedding ceremonies and various programs. This brings happiness to us to fulfil the customer requirements, and customer satisfaction plays an important role to improve the market demand of this business.

LOCATION OF SALON

Salon is to be fielded in Betalghat, Nainital, Uttarakhand. Population of here is also large, so there is a high probability of growth of salon business. Therefore, my research says that opening salon in this area will give good returns, which will also make it easier to repay the loan instalment.

CUSTOMER'S DETAILS

Most people living in Betalghat and its neighbour villages will be the costumers of this salon. All the customers here belong to middle class and lower class family who want good service in reasonable prices. The number of families belonging to these categories is more in this area, so that the movement of customers will continue in salon. Similarly, more and more people will get the benefit of salon's services.

DETAILS OF PROMOTERS

All those customers who take salon service will do the vocal promotion because if we provide them good service then they will definitely suggest our services to the other person, Due to this promotion of salon will continue. We will endorse a dress code and constant cleaning system in the salon so that an image of the salon will remain in the minds of the people. Maintain friendly behaviour with the customers in the salon so that the customers can remain connected with the staff of the salon.

MARKETING METHOD

1. Social Media marketing
2. Freebie marketing
3. Hook marketing
4. Creating poster and leaflets
5. Guerrilla Marketing

FIXED CAPITAL INVESTMENT

- **FURNITURE & MACHINERY EQUIPMENTS :**

Sr. no.	Items	Unit	Amount
1	Moving chair with neck adjustment	3	60000
2	Mirror	3	15000
3	Reception chair	1	5000
4	Reception table (counter)	1	10000
5	Inverter	1	20000
6	Hair dryer	4	9000
7	Hair scissor	5	3000
8	Hair comb	10	2000
9	Hair straightener	2	4000
10	Face and body massage vibrator set	2	5000
11	Hair holding clip set	2	1000
12	Hair/henna brush	5	1000
13	Spray bottle	5	2000
14	Towel	10	5000
15	Installation Charge		10000
16	CC TV Camera	2	10000
17	Other miscellaneous item	-	10000
18	Total		172000

WORKING CAPITAL INVESTMENT

RAW MATERIAL PER MONTH

Sr. no.	Items	Amount
1	Ayurvedic extract/medicine synthetic permitted chemical colour etc.	5000
2	Cotton, gauge, paper napkin etc.	1000
3	Antiseptic Liquid like Dettol or Savlon	1000
4	Telcum powder, Toilet shop, liquid detergent, shampoo etc.	1000
5	Specific chemical, herbal preparation for pedicure and manicure	1000
6	Olive oil, Oliterra olive oil for massage	2000
7	Face mask, facial material	3000
8	Hydrogen peroxide, Mehendi, hair colour and other hair treatment chemicals.	3000
9	Other necessary equipment and chemicals	1000
	Total	18,000 Rs.

OTHER EXPENDITURE PER MONTH

Sr. no.	Expenses	Amount
1	Rent	3500
2	Telephone bill	500
	Total	4000 Rs.

STAFF PAYMENT

Skilled worker	- 2 * 15000	30,000 Rs.
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UTILITY

1	Electricity bill	2000
2	Water bill	1000
	Total	3,000 Rs.

Working capital per month = 18000 + 4000 + 30000 + 3000
= **55,000 Rs.**

TOTAL CAPACITY INVESTMENT

Fixed capital	-	1,72,000 Rs.
Working capital for one month	-	55,000 Rs.
Grand total	-	2,27,000 Rs.

TURNOVER PER ANNUM

Sr. No.	Service	Customer/day	Cost	Total
1	Hair cutting	30	40	1500
2	Shaving	20	30	600
3	Threading	10	20	200
4	Face Massage	1	200	200
5	Hair colour	2	200	400
6	Hair die	2	50	200
7	Wax	1	500	500
Turnover per day in Rs. =				3,600 Rs.

Turnover per month - 3,600 X 30 day = **1,08,000 Rs.**

Turnover per year - 1,08,000 X 12 months = **12,96,000 Rs.**

TOTAL EXPENSES PER ANNUM

Fixed capital 1,72,000 Rs.

Depreciation on fixed capital (maintenance cost) 10%

= 10% X 1,72,000 = **17,200 Rs.**

Working capital per annum = **6,60,000 Rs.**

Cost of total expenses per annum = 17,200 + 6,60,000 = **6,77,200 Rs.**

PROFIT PER YEAR

Profit	=	Turnover – Cost of total expenses
	=	12,96,000 – 6,77,200
Profit	=	6,19,000 Rs.
Profit per month	=	51,583 Rs.

RETURN ON INVESTMENT

Amount Invested	=	2,27,000 Rs.
Amount Returned	=	12,96,000 Rs.
Investment Time	=	1 Year

RESULT :

Investment gain	=	10,69,000 Rs.
ROI	=	470.93 %
Annualized ROI	=	470.93 %

IMPLEMENTATION SCHEDULE

Loan approval (approx.)	1 month
Availability of finance	1 month
Installation of furniture and machinery equipment	15 days
Purchasing of raw material	15 days
Recruitment of staff and trial run	1 month
Total	3 months

REPAYMENT OF LOAN

Loan repayment will begin two months after the establishment of Salon.

Loan amount	Rate	Month	Interest	Total	Instalment
2,27,000	10.5%	60	68,453	2,95,453	4,924.22 Rs.

Monthly instalment of loan = **4,924.22 Rs.**

CONCLUSION

In the present time every person wants to see himself attractive. He takes countless measures to look good and beautiful. Salon is an important example of this. There is an attempt to give various types of beauty treatments in the salon. This can meet the expectations of customer and make them more beautiful. After inspecting many salons, I found that this business is indeed a wonderful business. Where happiness can be seen on the faces of different people. By inspired I decided to take a step towards self-reliant India. And give employment to some people. This small contribution of me in boosting the economy of our country will prove to be an expectation which I will definitely try to pursue.

Thank You