

2014

Business plan for a spa -salon enterprise in Paphos

Michael, Kalliopi

Master of Business Administration, School of Business, Neapolis University Pafos

<http://hdl.handle.net/11728/7000>

Downloaded from HEPHAESTUS Repository, Neapolis University institutional repository



BUSINESS PLAN FOR A SPA –SALON ENTERPRISE IN PAPHOS

By

Kalliopi Michael

Master of Science in BUSINESS ADMINISTRATION

Neapolis University Paphos

Paphos, Cyprus

2014

Submitted to the Faculty of NEAPOLIS UNIVERSITY

in partial fulfillment of

the requirements for

the Degree of

MBA OF SCIENCE

BUSINESS PLAN FOR A SPA –SALON ENTERPRISE IN PAPHOS

Dissertation Approved

Advisor:

C.Christodoulou - Volos

Thanks

I would like to thank my advisor, Mr. Chrostodoulos Volos, for his valuable help, for the knowledge and guidance he offered me during the preparation of this work.

Finally,

Very special thanks to my family and especially to my husband, for their love, encouragement and continued support over the years. This dissertation would not have been possible without my family's support and assistance!

Abstract

Entrepreneurship is the activity which identifies, develops and carried out an innovative idea, a business Chance or much more simply a better way to produce something.

For a new business that wants to get into any sector, the principle can be decisive for the future course.

The company was chosen for this business plan is an SME “The Quick spa-salon”. The Quick spa is a new business that wants to compete largely the existing businesses. The logic of a desired approach customers to increase profits, decided to prepare a business plan which contemplates the company and its environment, and make recommendations in this regard.

The implementation of business planning is a new, free-to-use tool that has been developed to help businesses plan and utilize the benefits arising from the use of business plan. The business plan has established itself internationally as an essential tool in the design process of a new business.

This configuration, therefore, a business plan must be based on a clearly defined strategic framework that follows through the identification of the strengths and weaknesses of the internal environment and the opportunities and threats arising from the external environment. The exact content of the business plan for any business should be adapted according to the needs and peculiarities.

These basic steps to be followed in formulating a business plan is to define the business objectives, define the actions that should be implemented to achieve the operational objectives, identification of required resources and financing sources and an assessment of the anticipated effects of more on the future financial results of the company.

Table of Contents

BUSINESS PLAN FOR A SPA –SALON ENTERPRISE IN PAPHOS

ABSTRACT

CHAPTER 1: INTRODUCTION

1.1. Background

1.2. Purpose

1.3. Research Objectives

1.4. The Model

1.5. Definition of terms

1.6. Structure of the Dissertation

CHAPTER 2: LITERATURE REVIEW

2.1. Overview

2.2. Business Plan definition

2.3. Who's design the business plan

2.4. Why the business plan is a useful tool

2.5. What should include a business plan

CHAPTER 3: EXECUTIVE SUMMARY

3.1. Description of the company

3.1.1. The purpose of the company

3.1.2. Mission

3.1.3. Objectives

3.1.4. Keys to success

3.2. Implementation phase of the business

3.3. Company summary

3.4. Start-up summary

CHAPTER 4: MANAGEMENT STRUCTURE

4.1. Management policy

4.2. Organizational structure

4.2.1. Business executives

4.3. Personnel Plan

CHAPTER 5: PRODUCTS & SERVICES

5.1. Description of products & services

5.2. Production process

5.3. Staff

5.4. Technology

CHAPTER 6: MARKET ANALYSIS

6.1. Market segmentation

6.2. Location

6.3. Target market segment strategy

6.4. Market needs

6.5. Market trends

6.6. Service business analysis

6.7. Internal & External environment

6.7.1. The micro-environment

6.7.2. The macro-environment

CHAPTER 7: STRATEGY & IMPLEMENTATION SUMMARY

7.1. Business strategy

7.2. Marketing strategy

7.2.1. Strategic objectives

7.2.2. Promotion strategy

7.2.3. Pricing strategy

7.3. Sales strategy

7.4. Sales forecast

7.4.1. Sales program

CHAPTER 8: COMPETITION ANALYSIS

8.1. Competitive edge

CHAPTER 9: RISK ANALYSIS

CHAPTER 10: FINANCIAL PLAN

10.1. Important Assumptions

10.2. Key Financial Indicators

10.3. Financial Statements

10.4. Projected Profit & Loss

10.5. Projected Cash Flow

10.6. Projected Balance Sheet

CHAPTER 11: CONCLUSION

REFERENCES

List of Figures

Figure 1: Organizational Chart

Figure 2: The marketing Environment

Figure 3: Porter's Five-Forces Model of Industry Competition

List of Graphs

Graph 1: Start-up expenses, assets and investment

Graph 2: The market analysis pie

Graph 3: Sales forecast-monthly

Graph 4: Sales by year

Graph 5: Key Financial Indicator

Graph 6: Net Profit

Graph 7: Gross Margin yearly

Graph 8: Cash

List of Tables

Table 1: The expenditure categories and the expenses for the first month

Table 2: Start-up assets

Table 3: Analysis of start-up costs

Table 4: Start-up funding

Table 5: Personnel plan for the first 3 years

Table 6: The mechanical equipment essential along with the cost of acquisition

Table 7: Market Analysis

Table 8: The SWOT matrix

Table 9: The analysis of strengths, weaknesses, opportunities and threats

Table 10: Sales forecast-monthly

Table 11: Sales forecast- 3 first years

Table 12: General assumptions

Table 13: Pro forma Profit & Loss

Table 14: Pro forma Cash Flow

Table 15: Pro forma Balance Sheet

CHAPTER 1: INTRODUCTION

1.1. Background

The business, also known as a firm or company, is the organized economic activity that is geared towards the production of goods and services for the market [1]. Nowadays almost all the products and services we enjoy comes from businesses, with the result that there many firms producing similar goods and compete strongly one another. In order to survive in a business in this competitive environment must operate under a detailed planning - a strategy. According to Butler (2000), surviving is one of the biggest problems faced by companies; however, proper knowledge of the process of planning and organizing a business can substantially increase the chances of survival. Lately there has been a growing trend of small businesses that use formal business plans, especially in start-up and development phases, which will have a positive influence on the future growth of the business.

The business plan, you could say that it is the encoding - fix this design "on paper." The business plan is the written description of the future of a company that analyzes what and how they plan to do in the future.

A business plan provides that the company is located and defines milestones pursuant to which can monitor its progress. Can help the company to shape the vision and make effective use of opportunities and resources, such as manpower and equipment.

With the business plan we can describe our business to a third party, usually financiers, but we can also gather – codification our own thoughts and actions for our business. So, the business plan not only helps to present the business to third parties, but also is a basic tool for strategic development itself entrepreneur [2].

1.2. Purpose

The business plan is a written description of the business model that the company planned to follow systematically in the future. Its purpose is to analyze the current situation, both the market and the business, taking into account all the possible parameters that can affect positively or negatively the growth and viability.

The present study examined the process of writing a good business plan for setting up a new spa in Paphos. The company chosen for this business plan is a small-medium enterprise (SME), a beauty and relaxation salon, which will join the market, which may reopen under intense pressure due to the competition that exists in the professional sector. The business plan is necessary for the mapping of the establishment, strategic marketing/sales and financial performance during the first three years of operation. This business plan regards to the establishment of a new company (startup) entitled “Quick Spa”. Main activity of the company will be the beauty and relaxation services.

At the strategic level, the goal of business is to establish a healthy, innovative and profitable centre, implementing a strategic expansion of the product (Product Development) and following a diversification strategy against competition. Regarding marketing program the main objective is to create long-term business relationships with customers, build relationships of trust and of course to be the expected increase in sales.

In this study, accepting the above as a business opportunity, expects to draw a well rigged business plan- tool which entrepreneurs would like to deal with a spa company. The aim is a thorough analysis of the costs and expected benefits of the project as well as the business strategy and marketing plan.

The purpose of this dissertation is the design and implementation of a business plan with a view to formulating specific guidelines that will lead the company to join effectively the market industry and be able to complete successfully with the other companies, to win customers and increase sales significantly in over the years as well as new opportunities for new markets.

In conclusion it seems that such an operation if set up correctly, has all the expected features, demonstrating success.

1.3.Research Objectives

When starting a business there is a process that must be performed in order to determine the success or even the failure of a business.

The scope of the investigation depends largely on the goals it wants to achieve as well as the types of decisions that need to help.

For this reason, it is very important firstly to define the objectives, which is the most important part of the whole process. Many problems are likely to arise if the research objectives are specified correctly in the initial stages of the investigation.

The research plan of the survey should clearly describe the main objectives of the research and gives the information needed by the investigator to inform and direct him in the right direction. The type of information gathered depends mainly on the type of the product and service that wants to sell and the overall research objectives.

The research can be used to determine a potential market, to size up the competition, and also to test the usefulness and positioning of the product or service offered.

1.4. The Model

As a research method, chosen operational analysis of current situation thus identified through the business plan problems and deficiencies to be eliminated. Without business planning cannot be developed a company. The business plan plays an important role in the success and growth of a company because it makes all difference between organized activity and chaos [3].

In starting a spa business s very important how to create a good business plan of the spa. The key elements which must include in a business are the following:

- The choice of a name for the spa business as well as its location
- Initial market research for the spa business
- The start-up costs including all start up budgets
- The basic products and services which will provide the business to the consumers with the information needed for each type of service.
- The financial statements including the profit and loss statement, the balance sheet statement and the cash flow statement

1.5. Definition of terms

Business Plan:

The business plan is a formal written document that describes in detail the strategy of the business owners and how a new business is going to achieve its goals. Business plans are guides for owners to run their business and is a road map for where the owners want to take their business.

Business plan includes a description of the nature of the business, the sales and marketing strategy, the financial background and containing a projected profit and loss statement. Business plans may also target changes in perception and branding by the customer, client, taxpayer, or larger community. When the existing business is to assume a major change or when planning a new venture, a 3 to 5 year business plan is required, since investors will look for their annual return in that timeframe [4].

Business plans can be either internally or externally focused. Externally focused plans target goals that are important to external stakeholders, particularly financial stakeholders. They usually have detailed information about the organization or team attempting to reach the goals [5].

Internally focused business plans target intermediate goals required to reach the external goals. They cover the development of a new product, a new service, a new IT system, a restructuring of finance, the refurbishing of a factory or a restructuring of the organization. An internal business plan is often developed in conjunction with a balanced scorecard or a list of critical success factors. This allows success of the plan to be measured using non-financial measures. Business plans that identify and target internal goals, but provide only general guidance on how they will be met are called strategic plans.

Business plans are decision-making tools. There is no fixed content for a business plan. Instead, the content and format of the business plan is determined by the goals and audience. A business plan represents all aspects of business planning process declaring vision and strategy alongside sub-plans to cover marketing, finance, operations, human resources, as well as a legal plan, when required [6].

Preparing and writing business plan requires a wide range of knowledge, time and periodic reviews. The completion of the business plan offers to the company useful information about the location and the direction of the market, competitors and customers, as well as the prospects for future growth and sustainability.

1.6. Structure of the Dissertation

In order to meet the aims and objectives of this dissertation, this empirical study is organized into nine chapters as follows:

In this chapter provided background information concerning the subject of the study and explained the methodology followed. It also lists the primary purposes and the main objectives of the empirical study.

The second chapter reviews the relevant to the study literature. It presents the definitions of business plan and its usefulness to the business. Additional it presents the theories and empirical evidence related to the purpose and objectives of the current study. In this chapter is an introduction to the subject so that the reader can understand what the business plan is and terminology.

The third chapter provides a high-level review of the different elements of the business. It is a description of the company indicating the mission and the objectives of the company, helping readers quickly understand the purpose of the business and its unique proposal.

The fourth chapter describes the company's management summary. Management summary include all the pertinent information regarding the management of the company. It includes names and job titles of the managers, management personnel and the company's plan to hire.

The fifth chapter describes the products and services offered by the business. This section describes what products and services are offered, and the plans for future products.

The sixth chapter is a bibliographic review of the marketing environment of the business. It analyzes macro environmental consisting of powers of the general external environment of the

company and the microenvironment that includes external forces which are in direct relationship with the company. It also presents the main strengths and weaknesses of the company, and opportunities and the threats that appear on the market (through analysis SWOT), to determine the company's business strategy and marketing strategy that should be followed.

The seventh chapter describes the marketing strategy of the business. It presents essentially the promotion strategy, the pricing strategy that the company will follow. Finally, it presents the sales forecast of the company.

The eighth chapter analyzes the competitive environment of the company. The competitive analysis section of the business plan is an objective overview and comparison between the company and its competitors. Describe the strengths and weaknesses of each of the competitors from an unbiased perspective, the number of years they have been in the market place, and their specific market niche.

In the ninth chapter of the business plan, based on the strategies that will be proposed will assess the future state of the company through the next three years of the forecast three pro forma statements; the balance sheet, the income statement and the cash flow statement, which presents the financial goals of the company, will highlight the projected financial status of the company.

The final chapter outlines the various conclusions reached through all the study's sections, and it offers some implications and recommendations that are derived from the study.

CHAPTER 2: LITERATURE REVIEW

2.1. Overview

Every type of business cannot be growth without planning [7]. According to Barrow (2001), the most important step in starting any new business or expanding an existing one is the construction of a business plan [8]. Over the last decade, there has been a growing trend of small businesses that use formal business plans as a modeling tool in start-ups. The main reason for this phenomenon is that the business plan may allow the entrepreneur to predict future stages of business growth and consequently to understand the right time when to begin to build related resources such as money, machinery, reputation and clientele that will allow the company to move to the next stages.

The business plan can be defined as a written document that describes the current state and the presuppose future of an organization. Business plan provides practical benefits to new organizations, such as greater profits and other competitive advantages that can lead to a greater probability of long-term survival [9]. According to Butler (2000), surviving is one of the biggest problems faced by companies; however, proper knowledge of the process of planning and organizing a business can substantially increase the chances of survival. Lately there has been a growing trend of small businesses that use formal business plans, which will have a positive influence on the future growth of the business.

The business plan is made from different sections such as an analysis of the market and the details of the marketing strategy, management structure, implementation strategy, the competitive environment and finally the financial analysis of the business [10]. Business plan generalize all aspects and information about a company, whether it is developed or already in process. “A full analysis of the market, the management, the finances, and the product is necessary to the health of any venture, and the planning process forces you to undertake that analysis. Without it, one or another of these areas may be neglected in the whirl of day-to-day operations” [11].

2.2. Business Plan Definition

Over the last decade, there has been a growing trend of small businesses that use formal business plans as a modeling tool in start-ups. The main reason for this phenomenon is that the business plan may allow the entrepreneur to predict future stages of business growth and consequently to understand the right time when to begin to build related resources such as money, machinery, reputation and clientele that will allow the company to move to the next stages.

The business plan is a detailed plan that helps the business on its future growth. It is essentially a map of targeted destination of a business that starts from the basic business idea and leads to a healthy and successful business. The business plan gives a clear idea about the obstacles that lie ahead in business, and highlights alternative routes to avoid them [12].

The business plan is a decision-making tool, which represents all aspects of the business planning process declaring vision and strategy alongside sub-plans to cover marketing, finance, operations, human resources, as well as a legal plan, when required.

Essentially, the business plan is a communication tool designed to transmit information to potential recipients, whether they are called investors and prospective partners, whether called management team, staff or even government agencies. With the business plan we can describe our business to a third party, usually financiers, but we can also gather – codification our own thoughts and actions for our business. So, the business plan not only helps to present the business to third parties, but also is a basic tool for strategic development itself entrepreneur [2].

The business plan is therefore a written description of the future of your business. It is a document that analyzes what and how they plan to do in the future. Generally the design is an exercise worth done and done well.

A good business plan for a healthy business idea helps the firm to achieve its goals, saves money and time by focusing the business activities and gives more control over the finances, marketing and daily operations.

“ a good business plan can help to make a good business credible, understandable, and attractive to someone who is unfamiliar with the business. Writing a good business plan can't guarantee success, but it can go a long way toward reducing the odds of failure" [13].

Answering three simple core question for every business

- Where are we now?
- Where do we want to be?
- How will I manage to get there?

To put it in a specific context the concept of risk plan, as long as you bear in mind that this includes the objectives of business, the strategies they will use to satisfy their existing objectives, problems that may be faced by the company and ways in which to solve them, the organizational structure of company and finally the amount of capital that will be needed to finance and operate the business. So far we have seen what is the business plan at this point I would to see who should develop the business plan.

The fact is that many entrepreneurs are resorting to external consultants to develop their business plan, some even outsource entirely to writing. This should be approached cautiously, especially when they intend to appeal to potential funders. And this is why nobody knows the business, its vision and its business better than its founder and management team. Particularly, in the case of a new business idea or innovation, the founder is the one who has to bear the greatest responsibility for the development of the business plan because then you need to meet with potential investors and support the proposal that has been developed in the paper . Of course, the best plans are developed in groups, so the best solution would be a combination, in which the entrepreneur develops his proposal in collaboration with specialized members that make up the management team, covering all aspects of the business, which wants to developed. The senior management, then, gives directions, whereby the executive directors develop their plans and then the whole process is revised or even modified if necessary, and finally approved by the top.

Of course, the involvement of an adviser is not rejected, the contrary may be crucial, but it is advisable to have more advisory and mainly helps in so far as the requirements and expectations of the potential readers.

2.2. Purpose of a business plan

Up to this point we have seen what is business plan and why business plans are useful tools. In this section we will talk about the purpose that makes us draw up a business plan. The purpose of the business plan is multiple. Can be used both in-house, by the founder, the management team and staff, and by external factors, such as investors, potential partners, consultants and government agencies.

2.3. Who's design the business plan

The business plan can be done by anyone with knowledge of design, provided it belongs to the business group. The business plan can be also made by the trader directly. In this case there is a clear picture of goals and very easy access to data that will compose the studies of the project. Nevertheless, the idea that has the businessman about company's position as well as its capabilities, may be more optimistic and do not have the element of objectivity that should characterize the plan.

Often entrepreneurs, who understand the need for a business plan, outsource the design in research consultants that do not belong in the potential of the business. This is either because they do not know the principles of its pension, either because they have at their disposal the necessary time. As it may, the plan prepared by an external consultant may well bring a more objective view of the situation but is in danger from the reality of the business, its goals and dynamics.

Sometimes the entrepreneur assigns the project to an internal partner. An internal partner is an integral part of the business, so having full knowledge of its operations and easy access to it. Even has a clear picture of the business possibilities and aspirations of the entrepreneur

without being identical with them, an element that reveals the plan of the element of objectivity. Thus, it is preferable that the pension of the business plan be made by the stakeholders or someone capable internal partner.

2.4. Why the Business plan is a useful tool

The business plan includes all the steps you need to make a business, from start up and operation of a long-term forecast for the course of business in the coming years and the changes in the macroeconomic environment. A good business plan emphasizes enterprise assets and recognizes any weaknesses implementation of an investment project. But above all, shows how to achieve the objective and analysis of the method of achieving it.

As mentioned above, the business plan is a useful tool for any modern business. Below we cite the reasons why business plans are considered as useful tools:

- It is a summary and evaluation of a business idea and the written result of a planning process.
- It requires participants to think about the proposal their business proposal in a systematic way.
- Shows the chances of success and the ability of the new entrepreneur to carry out his work. It is in many cases not only the tangible aspect of a new business in the early stages its development.
- Reveals fortunes gaps in knowledge and suggestions helps to meet them.
- Provides the means to examine all aspects of new business and the effects of a series of strategic decisions about management, marketing, finance and human resources.
- It is a management tool that guides the new entrepreneur. For those who are planning a new business plan provides the giving consideration to the dedication and motivation.
- Imposes decision making and therefore the adoption of a 'focused' approach.

- It is "good design practice" as it gives the possibility of a objective look at the business, identify strengths and weaknesses, while concrete needs may not was conceptualized and solves problems before they occur.
- Identifies potential customers / consumers, market target – and the required volume of sales that the business is viable.
- Lists the necessary materials and resources and reveals which of them should be obtainable.
- A reference point and communication between future partners and the basis for the implementation of a business proposal.

2.5. What should include a business plan [14]

Before we start analyzing what should include a business plan, it is advisable to introduce an indicator map which will include the basic steps of creating a business plan.

- General introduction

I. Cover

II. Introductory page

III. Contents

IV. Executive Summary

(Executive summary)

1. Internal analysis

1.1 Description of the business

1.2 Products and Services

1.3 Location

1.4 Human resources

2. External analysis

2.1 Analysis of consumer

2.2 Analysis competition

2.3 Market Analysis (Market Size ,Horizons development (growth prospects), Profitable, Cost structure (cost structure), Distribution channels (Distribution channels), Trends ,Success Factors (key success factors)

2.4 Environmental Analysis (Technology, State, Economy, Culture – Culture, Demographics)

3. Selection, identification and implementation strategy

3.1 Product Strategy (Product Strategy)

3.2. Marketing Plan (Consumer behavior, Product, Price, Distribution, Forwarding, Summary)

3.3 Sales

3.4 Management plan (Management Plan)

4.Economic plan (Balance, Analysis of cash flows, Training loss, Break - even Analysis)

CHAPTER 3: EXECUTIVE SUMMARY

3.1. Description of the company

Spas are kinds of salons that offer a variety of specialized personal care services. Nowadays because of the daily stress and anxiety more people are turning their attention in a spa in order to help themselves renewed. Spas offer many services including facial, waxing and massages, massage is the most popular service by far. Medically proven, massages help people manage their body and mind in a healthier way.

The company QUICK SPA GP is a space of aesthetics and relaxation and is expected to offer his services in Paphos. The purpose of the business is to offer the best services to its customers and make profits. The introduction of the company in the competitive market is reinforced by advertising and the integration of a program of relaxation and beauty, not to have any other spa in the region.

Quick spa aims to be the premier spa/salon in Paphos. Through a unique combination of offered services and products, it will quickly gain market share.

It will be an exceptional place of wellness and relaxation which operating under a unique philosophy giving you the ability to escape from daily routine.

Quick spa will be a full-service spa salon dedicated to consistently providing high customer satisfaction by rendering excellent service and quality products in a relaxing atmosphere at a reasonable price. It will also maintain a friendly, fair and creative work environment, which respect diversity, ideas and hard work.

Company's vision is to present a new philosophy in the sector of total beauty where both Cypriot citizen and tourist will have the possibility of enjoying specialized services of well-being from experienced healers fast and economically.

The timing is right for starting this new venture. After many months of thinking finally about what will be the right area culminating in the most appropriate. The demand from the

clients as well as our ambition to start our salon and the procurement of highly professionals and qualified beauticians to support the spa, will make this business one of great potential.

3.1.1. The purpose of the company

The Quick spa is a medium-sized enterprise (SME), which aims to offer several cosmetic and relaxation services. At Quick spa, will passionately committed to helping people adopt a healthy and fit lifestyle so they look and feel their best. It will pride themselves on its attention to details and the customer service and value it will offer to clients.

Quick spa is considered an upscale full-service beauty salon. It will offers a wide variety of mind and body healing services and products. The salon aspect of the business will provide both males and females with any type of hair styling services. The spa business is devoted to providing holistic methods of massage, body work and energy work. It will offer a wide range of services that include:

- Skin care: European facials, body waxing, massage
- Hair: cuts, relaxers, perms, coloring, styling, shampoo, conditioning, curling, waving, braiding
- Nails: manicures, pedicures, polish, sculptured nails
- Space equipped with the latest technology aesthetics, offering various services rejuvenation in every part of the body
- Heated pools for different treatments, special facilities for spa and relaxation.

To serve all these programs properly, the owners of the Quick spa must find experienced and reputable professionals and beauticians. As an economic unit in Quick spa interested both for the firm's survival and to secure to the livelihood for its owners, always bearing in mind the best services and the best customer service.

Location:

The location is an advantage as the salon will be located in the heart of Paphos, in Kato Paphos. The salon will utilize 1500 square feet. The location is strategically situated on one of the busiest streets in Paphos. It is a high profile area, with easy access from all parts of town. Additionally, the downtown area has undergone a recent renovation that has attracted a lot of new businesses as well as become a hot urban area.

Competition:

Quick spa wants to set itself apart from other beauty salons that may offer only one or two types of services.

There are a number of salons like Quick spa, but they are mainly in the very high income parts of Paphos and surrounding areas. Quick spa wish to offer a middle ground for those clients who can't quite afford those high-end luxury salons.

The business atmosphere will be a relaxing one where clients can kick back and be pampered. It will have several candle lit treatment rooms with soothing music, ready to take its clients away to another world.

Quick's competitive edge is their unique combination of services, location, and customer-centric focus. Both the extraordinary services and location has been detailed previously. Quick spa will set out since its inception to provide quality, dependable services. Quick spa will have an innovative training program that is extensive in its depth, properly training employees to provide an unprecedented level of customer service. All customers will leave Quick spa with a feeling that their needs were met well beyond any expectations that they previously had and far better than any competitor. This customer-centric business model is not just rhetoric; there are financial incentives in place for employees to offer unprecedented levels of service.

3.1.2. Mission

Quick spa is a place for relaxation of body and soul in which the visitor will enjoy the best experience thanks to the high quality of professional services that will be provided.

Quick spa will offer services and products of total beauty and care in the sectors of beauty and hairdressing to everyone – both Cypriots and tourists- .

The mission of the company is to supply services and products that enhance Quick's physical appearance and mental relaxation.

Quick spa will provide a comforting, yet stimulating atmosphere in which customers will be able to relax both their body and mind, reconnecting their daily lives to their true purpose through a wide range of holistic methods including massage, body works, energy works and hair styling. Quick spa will establish itself as a dependable destination to which they can always come to escape the stresses of life and rejuvenate their energies, their souls and their lives.

3.1.3. Objectives

At regular intervals each firm sets targets as a means to achieve strategic objectives. The objectives are developed over time to ensure that it is relevant and can meet the needs of the ever-changing landscape. The objectives that set by the company has as main purpose to gain a competitive advantage by understanding that customer requirements vary and change over time.

The objectives of Quick Spa are:

- Continuous increase enterprise sales revenue
- Net profit by end of second year
- Increasing clientele and maintaining existing until the end of the first year
- Become an established community destination
- Quality Service Provision: Different services at the spa will attract more customers, since the services provided range from hair care, skin and nails in relaxation therapies

- Improve the knowledge, technical skills and professionalism of all the spa and wellness professionals
- Staff growth
- Inform the public about the several health advantages from spa treatments and therapies

3.1.4. Keys to success:

The keys to success in the business are:

Unique Treatments: Use of advanced technology instruments

Individual attention: The experience of each client is tailored to his or her preferences

Marketing: The owner has a strong business activity after working 12 years as a sales executive in a large firm. Marketing will be the first force to business success and a huge competitive advantage

Professionalism: That includes everything from maintaining confidentiality to recruit the best beauticians

Location: Providing an easily accessible location for customers

Environment: Comfortable environment conducive for relaxing and professional service

Convenience: Offering clients a wide range of services in one setting, and extending business hours

Reputation: Reputation of the owners and other employees as providing superior personal service

Effective advertising: Advertising is an excellent way in order to bring customers

Staff: Highly educated employees with extensive experience in the field

3.2. Implementation phase of the basic idea

The aim of «Quick SPA» is the first year of operation the company to achieve its objectives and guidelines set by owners. The first period is the most critical and has a high risk for investment funds and their performance. The problems will facing the company in the first year is a lot. First, the competition is one of the main problems facing a new business and the inexperience that have new owners.

Moreover, various unexpected and unforeseen problems are obstacles to the implementation of the concept, the result of which shall be assessed at end of the first year.

The company's second year, having worked one year may be review information to make more informed and can used another strategy that will bring better results and more profits. So now the third year can start fulfilling their objectives and has more than 400.000 € annual profits.

3.3. Company summary

Quick Spa is a new place in town that offers to its customers a combination of massage, body and facial treatments. At the spa, both men and women have the same care from the staff, who arranges to meet their expectations.

Respecting the valuable time of the visitors and their need for calm and relaxation Quick spa will work under a unique philosophy which is based on quality, time and price.

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

3.4. Start – up Summary

Each company has many start-up expenses prior beginning its operation. In the following table, the start-up cash has been marked for the estimated amount needed to cover operational expenses for the initial investment. The start-up capital for the salon/spa will be used for the design, leasehold improvements and equipment of the salon.

Table 3.1: The expenditure categories and the expenses for the first month

EXPENDITURE CATEGORY	EXPENSES(first month expenses)
1.Personnel	€10.000
2.Building (Rent)	€5.000
3.Equipment	€13.000
3.1.Machinery	€17.000
3.2.Office equipment	€8.000
3.3.Expenditure facilities	€68.000
4.Initial Promotion (local news, advertising)	€1.000
5.Overheads	€2.000
TOTAL	€124.000

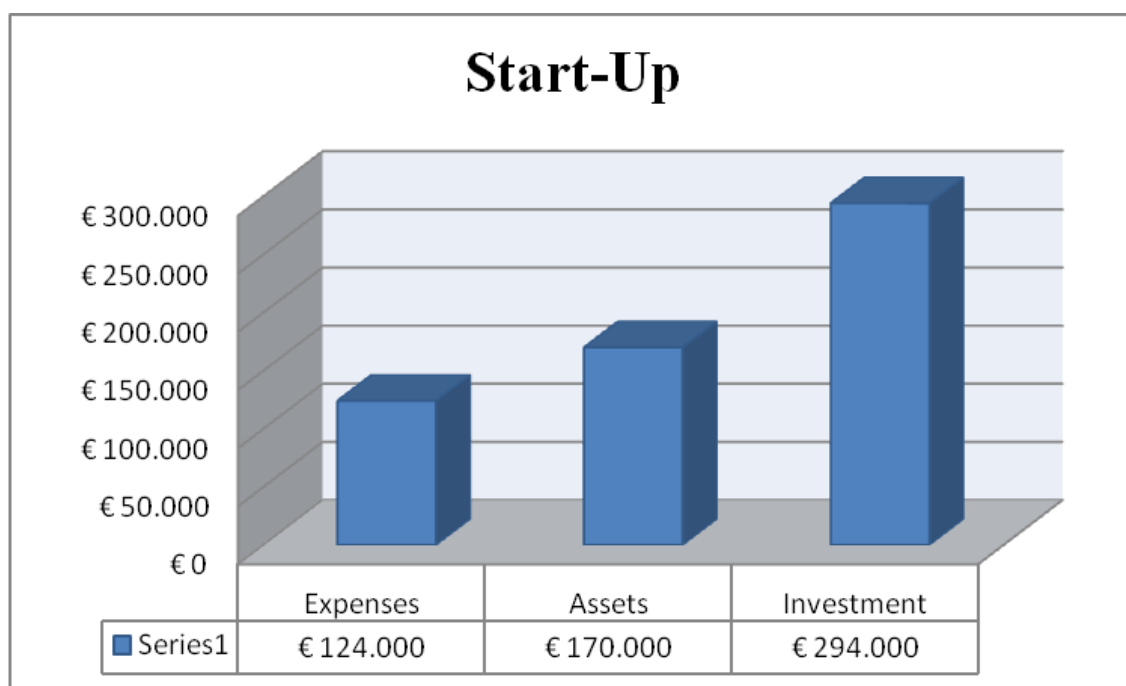
Source: My own data

Table 3.2: Start-up assets

Start-up Assets	€
1.Cash Required	150.000
2.Start-up inventory	20.000
3.Other current assets	0
4.Long-term assets	0
TOTAL ASSETS	€170.000
TOTALREQUIREMENTS	€294.000

Source: My own data

Graph 3.1: Start-up expenses, assets and investment



3.5.1. Analysis of start-up costs

Table 3.3: Analysis of start-up costs

	COSTS	QUANTITY	TOTAL
1.Personnel			
Includes payroll	€10000		€10000
2.Building			
1st month rent + 2 months warranty	€5000	3	€15000
3.Machinery			
Tightening	€2000	2	€4000
Lipotherm	€2000	2	€4000
Solarium	€3000	3	€9000
Total			€17000
4.Equipment			

Computers	€1500	4	€6000
Furniture	€5000		€5000
Phones and other repairs	€2000		€2000
5.Costs for various facilities			
Pool	€50000	1	€50000
Sauna	€5000	2	€10000
Air Conditioning	€800	5	€4000
Shower -locker rooms	€4000	1	€4000
6.Overheads	€2000		€2000

Source: My own data

3.5.2. Start-Up Funding

Table 3.4: Start-up funding

Start-Up Funding	
Start-up Expenses to Fund	€116000
Start-up Assets to Fund	€170000
Total Funding Required	€286000
Assets	
Non-cash Assets from Start-up	€20000
Cash Requirements from Start-up	€150000
Additional Cash Raised	€15000
Cash Balance on Starting Date	€165000
Total Assets	€185000

Liabilities and Capital	
Liabilities	
Current Borrowing	€150000
Long-term liabilities	0
Accounts Payable	0
Other Current Liabilities	0
Total Liabilities	€150000
Capital	
Planned Investment	
Owner Investment from sale of home	€286000
N/A	0
Additional Investment Requirement	0
Total Planned Investment	€294000
Loss at Start-up (start-up expenses)	(€124000)
Total Capital	€170000
Total Capital and Liabilities	€320000
Total Funding	€294000

Source: My own data

CHAPTER 4: MANAGEMENT STRUCTURE

The management philosophy of the Quick Spa is based on the respect for each member of staff, for the customers and individual responsibility. The management team will consist of three members – the General Manager, the Director of Sales and Research and the Sales Executive and Office Manager-, who will have the ultimate responsibility for the success of the business, creating a favorable working environment satisfying both employees and customers.

4.1. Management Policy

The company's management philosophy is based on responsibility and mutual respect. The company maintains an excellent environment, which foretold to be renewed and promotes good working relationships that encourage productivity and respect for customers, producers and employees themselves.

The company is committed to:

- provide products with certified quality standards to its customers with consistently and responsibly.
- promotes the strengthening of good relations between employees, customers and producers.
- promotes the products of factories coupled with the strengthening of their image

4.2. Organizational Structure

The initial group of business will consist of 10 people, including the General Manager and the other two assistant managers, both of whom will be active therapists. There will be two hair stylists, one nail technician, one facialist, one aesthetic and two massage therapist. The project staff will include a receptionist who will welcome the customers and receive payments for services and products. Future plans include the hiring of a chiropractor as the business expands.

4.2.1. Business Executives

The company is staffed by three members headed by its founder Mrs. Carla Brown.

Company Ownership

The ownership of Quick Spa belongs to Mrs. Carla Brown who has a hands-on role in the management of the company. Carla Brown has a many years of experience in the industry since has been worked for 12 years in a prestigious business as a sales executive. After hard work and dedication throughout her work was able to create a large clientele. As a manager of a spa Carla is the person who arrange to work well a place of wellness and wellbeing. Is responsible for finding staff and fill vacancies and it is she who will find appropriate to train his team. She will organize, supervises and ensures customer satisfaction with maximum profit for the company. Together with talented team of professionals and beauticians, has what it takes to make this project a great success. The Organization and Management of wellness and care is a specialty that aims to fully operate a business object is to provide methods for maintaining physical and mental health.

Mrs. Tonia Politi (Director of Sales and Research) is a graduate of aesthetics, with master degree in business administration. She worked for a long time in a similar business with great success. She's nationality is Italian, which guarantees excellent knowledge of the language. She also knows English and has basic knowledge of computers.

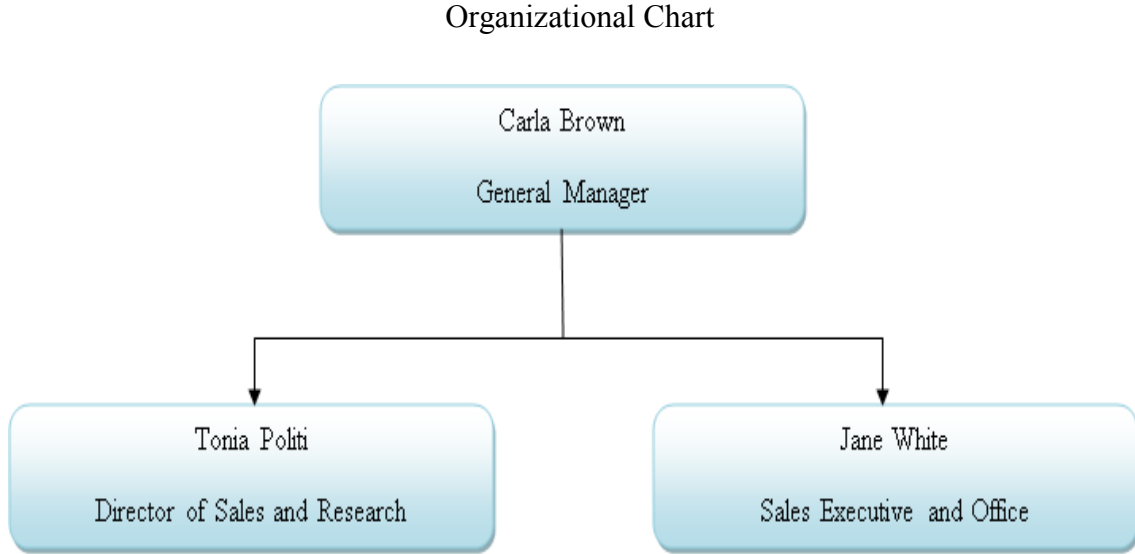
Mrs. Jane White (Sales Executive and Office) is university graduates majoring in physical therapy. The general knowledge will help so that the client informed of the advantages he/she will get from the relaxation therapies.

The total wage cost will amount to €120.000 the first year.

The company employs and external partner who manages its accountings.

The organizational structure of the company has the following layout.

Figure 4.1: Organizational chart



Source: My own chart

4.3. Personnel Plan

During the first year of the business, the assumptions are that there will be only 10 people in the company until it obtains clientele and attracts others to work there. There will be – apart from the General Manager and the other two assistant managers- only two hair stylists, one nail technician, one facialist, one aesthetic and two massage therapist.

Table 4.1: Personnel plan for the first 3 years

Personnel Plan			
	Year 1	Year 2	Year 3
Owner	€24000	€30000	€36000
Assistant Managers	€36000	€40000	€42000
Employees	€50400	€60000	€72000
Receptionist	€9600	€9800	€10000

Chiropractor	0	€1000	€1200
Total People	10	11	11
Total Payroll	€120.000	€140.800	€161.200

Source: My own data

CHAPTER 5: PRODUCTS & SERVICES

5.1. Description of products and services

Quick SPA is considered an upscale full-service beauty salon. It offers a wide variety of mind and body healing services and products such as therapeutic massage services, body treatments, facials and anti-aging treatments.

Quick spa provides customers with personal beautifying and relaxational services and complimenting products, as well as training in specific forms of energy work, accessible materials on a wide range of health-related topics.

Services are provided by licensed therapists and aestheticians who are independently contracted and paid on a commission basis.

The aesthetic center «QUICK SPA» will provide to the customers the following services:

- Care, facial cleansing

- Body Treatments

- SPA hydrotherapy

- Hair Styling

- Massage

- Waxing

- Manicure and pedicure

- Makeup

- Care for Men

- SOLARIUM

Men and Women Hair Styling: Men's (€ 15 average) and women's (€ 20 average) color (€ 35), perm (€ 50), and combos (€ 50-€ 100). Selected hair care products (shampoos, conditioners, cleansers, brushes, mirrors) will be sold as well.

Body Works: Massage (€30), other massage/body works (€40 average), facials (€50 average), manicures (€35), pedicures (€25 - €35), waxing (€15 average), aromatherapy (€25), and combos (€30- € 100depending). Specific complementing products will be sold as well.

Energy Works: Reflexology: a natural therapy to release stress and unblock energy within the body. Reflexology brings harmony to the body and mind by using techniques that apply deep pressure to certain points on the feet. The soles of the feet are mirrors of every organ in the body, hence your whole body may be treated with reflexology.

50 minutes Euros 90.00

Deep tissue massage: Deep tissue massage is designed to relieve severe tension in the muscle and the connective tissue. This style of massage focuses on the physical tension, knots and scar tissue that can build up in the body over time due to stress, lifestyle, sports or injury. It is excellent in helping to break down these problems. It can be done on the whole body but generally specific areas only are treated. As well as massage movements, stretches can also be incorporated if needed.

Full body 60 minutes - Euros 110.00

Back, neck and shoulders 30 minutes- Euros 60.00

The products and services provided by the spa will be added chiropractic and acupuncture. The company hopes that at the end of the second year will be able both financially and practically to provide these two services in order to be able to grow its clientele and consequently and its earnings.

5.2. Production Process

5.2.1 Description of the production process

The aesthetic center «QUICK SPA» offers the services to all those customers who are interested in the care of the body and external appearance. To enable the company to meet the increased needs shall at any time to update its equipment and also with manpower should if they are fully qualified. So the company to operate effectively, must determine the equipment, organization, and jobs offered.

Below is the mechanical equipment essential along with the cost of acquisition:

Table 5.1: The mechanical equipment essential along with the cost of acquisition

QUANTITY	MACHINE DESCRIPTION	VALUE	TOTAL
2	Lipotherm	€2000	€4000
2	Sauna	€5000	€10000
2	Tightening	€2000	€4000
3	Solarium	€3000	€9000

Source: My own data

The programs are based on high tech machinery, using chip cards and new generation electrodes personal use, it is ideal for the treatment of local fat concentration, relaxation, cellulite treatments and unnecessary weight.

5.3. Staff

The aesthetic center «Quick SPA» will employ 10 people as well as 3 additional people as auxiliary staff (maids). All programs are implemented by experienced and well trained

beauticians. The frequency of visits and the number of treatments determined by the aesthetic following scientific diagnosis statures and taking into account the individual needs of customers.

5.4. Technology

Quick Spa will sell the highest quality products on the market which have been created in a socially responsible manner. The suppliers who will select because of the integrity of their business practices and their vision which is aligned with that of Quick Spa. All products will chose for their contribution to the health of body, mind and planet.

CHAPTER 6: MARKET ANALYSIS

6.1. Market Segmentation

The «Quick SPA» addressed to all persons interested in the external appearance and want to look and feel nicely. And more specifically to those who want to gain fitness, those who want to lose weight with the best way and with proper nutrition without having grueling diet and those who want to relax from daily stress. Those who prefer usually services Beauty salons are mostly wealthy people with high income. But recent years have seen a continuous onslaught of middle income because of advertising and turning the average consumer to a healthier lifestyle.

The company is primarily aimed at Cypriot clients with family income €15.000. The secondary market includes tourists who will visit the island and will be staying in local hotels. Within the Cyprus a large number of the population has never experienced spa services. It will assume that a conservative number 70% of these two groups has tried spa services and will be one again if offered attractive prices at the right price.

Quick spa is a full-service salon dedicated to consistently providing high customer satisfaction by rendering excellent service, quality products and furnishing an enjoyable atmosphere at an acceptable price/value relationship.

Clients who use spa services fall into the following basic groups:

Clients pampering themselves / Massage Therapy, Body and Facial Treatments

Individuals who have chronic pain or old injury issues

Clients who have massage or body treatments 1 - 4 times a month for relaxation

Huge anti-aging and beauty market potential

Local hotels that do not offer spa services will be able to refer to our local facility or use our out-call services.

Clients who prefer alternative health care/Massage Therapy

Use massage as preventative health care such as alternative practices -Chiropractor, Naturopath- or want to have physical therapy

Try to have massage as regularly as they can afford

Clients who use salon services to change their “look” in order to change their mood and feel more beautiful.

Graph 6.1: The market analysis pie

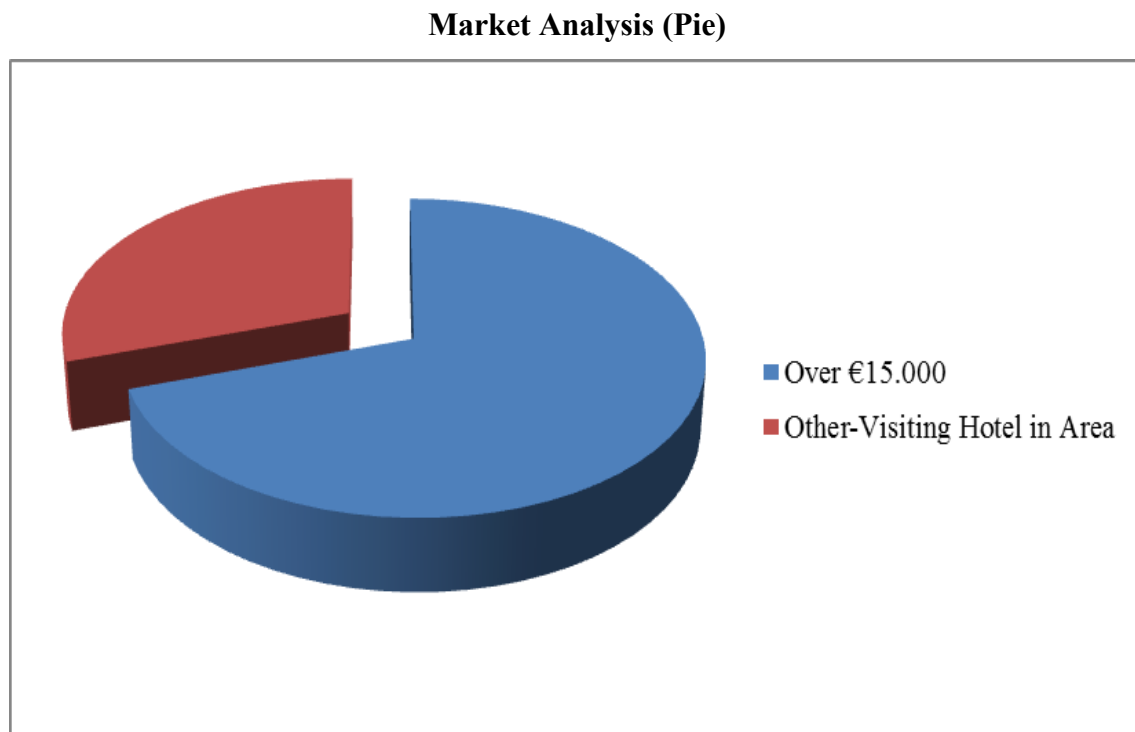


Table 6.1: Market Analysis

Market Analysis		2014	2015	2016
	Growth			
Potential Customers				
Over €15.000	10%	1000	1030	1060
Other-visiting Hotel in Area	0.00%	300	300	300
Total	10%	1300	1330	1360

Source: My own data

6.2. Location

The salon will be located in the heart of Paphos, in Kato Paphos. The salon will utilize 1500 square feet. The location is strategically situated on one of the busiest streets in Paphos, resulting in a continuous view of passers-by and easy way of finding from everyone. It is a high profile area, with easy access from all parts of town. Additionally, the downtown area has undergone a recent renovation that has attracted a lot of new businesses as well as become a hot urban area.

Moreover, in the center of Paphos there are not many of the same aesthetic centers resulting in the absorption of more customers.

6.3. Target Market Segment Strategy

The members of these market segments have not a lot of money on hand. They will be clients from a middle class, who lives with stress in their daily lives. All people need to look and feel beautiful. In Quick salon/spa will provide all the services required for this purpose in order to stay happy and satisfied with the result.

6.4. Market Needs

People love to pamper themselves, since this help them to change their disposal. Quick salon/ spa will provide a wide range of products and services in order to satisfy them. Quick will be a full-service spa salon dedicated to consistently providing high customer satisfaction by rendering excellent service and quality products in a relaxing atmosphere at a reasonable price. Also the salon will be located in the heart of Paphos, in Kato Paphos which is the one of the most popular area in the whole city.

6.5. Market Trends

Quick salon/spa will distinguish itself by marketing products and services not previously available for high income customers. They will be clients from a middle class, from every age group, gender and nationality who want to enjoy specialized products and beauty services. Additionally, the Kato Paphos area has undergone a recent renovation that has attracted a lot of new businesses as well as will become a hot urban area.

6.6. Service business analysis

The spa is a part of the retail health and beauty industry which has four major types:

Salons: Stores with only hair styling services and products.

Day Spas: Stores specializing in body health maintenance through a variety of services and products.

Day Spa & Salon: Stores combining the services of the two aforementioned.

Health & Beauty Products: Stores selling only merchandise products covering the wide range of products available but not inclusive of those sold by salons and spas.

6.7. Internal & External Environment [15,16]

For an enterprise as analyze important role played by the analysis of the business environment.

As environment we can define all the forces that an affect the company and its operations. The environment is divided into external (macro) environment and internal (micro) environment. Through the analysis of this situation, we will examine the influence of the micro and macro-environment of the company as distinguished in the diagram below. The management of the organizations trying to forecast changes and take the appropriate decisions to achieve their aims that taken during the business planning.

The importance of the internal and external environment and their effect on the development and implementation of marketing planning is crucial and should be highly considered by any organization wishing to be profitable in the increasingly competitive international marketing arena.

Figure 6.1: The marketing environment



Analysis of business environment is the examination and appraisal of the opportunities and threats provided by the environment as well as the potential strengths and weaknesses the business possesses. Opportunities and threats are associated with external environment of a business while strengths and weaknesses are associated with internal environment of the business.

Table 6.1: The SWOT matrix

SWOT MATRIX	
INTERNAL	EXTERNAL
Strengths	Opportunities

Weaknesses	Threats
------------	---------

6.7.1. The micro – environment (internal environment of the company)

For the micro-environment of the company effects as reflected in the above diagram refers mainly to the:

- Market
- Customers
- Competitors
- Suppliers
- Stakeholders

In addition, the company during its operation should be ready to build and maintain trainee staff to protect and enhance its reputation - it is composed of firm and organizational structure - have experienced staff capable dedicated to all business functions.

Then through SWOT analysis achieved the thorough treatment of the micro-environment of our company.

SWOT Analysis (Analysis of strengths, weaknesses, opportunities, threats)

The main strengths, weaknesses, opportunities and threats of the company in the marketplace, are summarized in the following table.

Table 6.2: The analysis of strengths, weaknesses, opportunities and threats

STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
LIQUIDITY UNDERTAKING (CASH PAYMENT ONLY)	NO PARTICULAR EXPERIENCE IN THE FIELD	POSSIBLE EXPANSION IN THE SURROUNDING AREAS	ENTRANCE OF MAJOR COMPETITORS

FEW COMPANIES IN THE AREA	NO CREDIT	COOPERATION WITH GROUPS OF AREA THE (PROVIDE FINANCE PACKAGES)	SLIMMING PILLS, CREAMS AND OTHER PREPARATIONS FOR BEAUTY CARE
FASHION TREND OF THE ORIGIN IN SPA	HIGH COST MARKET EQUIPMENT BEAUTY	INCREASE OF THE FACILITIES FOR WELLNESS AND TREATMENT	
ADVANCED TECHNOLOGY OF BEAUTY INSTRUMENTS	HIGH COST ADVERTISING CAMPAIGN		
INCREASING NUMBER OF RESIDENTS IN THE AREA			
HIGH LEVEL OF PROFESSIONALISM			

Source: My own data

6.7.2. The macro-environment (external environment of the company)

In the previous section we presented the factors that affect the micro-environment of the company. In this section we will analyze the factors at the macro-environment of the company that influence the decisions of an organization, as well as the performance and strategies. The main factors are:

- Social
- Legal
- Economic

-Political

-Technological

Social factors: First of all, social factors refer to the culture of the society that an organization operates within. They also include demographics, age distribution, growth rates of population, education level, wealth distribution and social classes, living conditions and lifestyle. As social environment of the individual define the living and working conditions, the level of income, the level of education and the communities in which it belongs. All these factors greatly influence health. Significant differences within Europe in terms of life expectancy and disease rates between rich and poor, between those with high education and those who do not possess fruit and those exercising their manual labor and other workers. For these reasons discern that social factors can exert strong pressures on company strategy.

Legal factors: Ethical standards are usually personal and professional practices or behaviors which are accepted by society. That means that the accepted ethical behaviors can be described as decent or fair practices and unethical as improper or unfair. Legal factors refer to national employment laws, international trade regulations and restrictions, monopolies and mergers' rules, and consumer protection.

Economic factors: Economic factors are the most important indicator which can give a clear picture of the external environment of the company. They represent the broader economy, so they can include economic growth rates, levels of employment and unemployment, the cost of raw materials such as energy, oil and steel exchange rates and inflation. These can also differ from one country to another.

Political factors: Political factors refer to the taxation policy, trade regulations, governmental stability, unemployment policy etc.

Technological factors: The technological factors play an important role in the success of the business. Technological factors refer to the percentage of new inventions and development, changes in information and mobile technology, changes in the Internet and electronic commerce and even mobile commerce. There is often a tendency to focus on technological advancements

on digital and internet-related areas but it must also include the development of new materials and manufacturing processes, distribution and logistics.

CHAPTER 7: STRATEGY & IMPLEMENTATION SUMMARY

The strategy of the business is to apply the most aggressive marketing and community networking which will be followed by the best products and services in the business. The prices will be competitive for the area and the plan which involves the use of specialized assigned therapists and beauticians will give in the company an economic advantage.

7.1. Business Strategy

The strategy to improve the competitiveness of the enterprise based on the following main areas:

- Cost reduction
- Continuous quality improvement, planning and operational modernization
- Developing marketing department to more effectively promote their products and services

The establishment of the marketing department with the main objectives:

- Development of new products and services
- Improving awareness o products and services and participation in exhibitions

Specifically the main marketing activities will be:

- Design, implementation and regular monitoring and evaluation of strategic marketing plans, advertising and promotion of products and services of the business.
- Research on consumer loyalty to particular products and services
- Management of the annual marketing budget
- Development and establishment of pricing strategies that will lead
- Ensure effective control of marketing results so be sure to achieve marketing goals within the assigned budgets
- Market assessment in advertising programs to ensure the timely adjustment of marketing and promotional strategies and meet changing market trends and competition

7.2. Marketing Strategy

7.2.1. Strategic Objectives

The marketing objectives of the company for the next three years are:

- Significant increase of the customers
- Gain a competitive advantage over existing businesses

The strategy of the company is the satisfaction of the customers so that when they leave the company satisfied with the result, he or she will broadcast the name and quality of the company to the public. So, most of the customers are referrals from the existing customers.

Moreover, the prices will be competitive for the area in order to absorb more customers and gain competitive advantage.

In more details we will explain the marketing strategy and tools of how the company will acquire potential customers and retain existing ones.

1. **Focus on quality, uniqueness, and reliability of service.** The company will differentiate itself from its competitors by offering a staff of specialists who are not only certified in their professions, but will be trained in understanding the dynamics of individual energy systems in order to maximize the connection to their customers and more easily meet the needs of the customers.

2. **Provide a unique atmosphere.** From the name to the atmosphere of the salon, Quick Spa will differentiate itself as a fully reliable and relaxing location where customers can enjoy being pampered and escape from the stress of everyday life.

3. **Build a community relationship-oriented business.** The company will focus on strengthening the trust of the customer base, and providing not only services, but information that will help everyone in the evolution of acquiring a balanced and healthy lifestyle. It will also work with local artists to provide their work to motivate company's customers.

The key to the success is the marketing strategy:

1. Highlight the name and exclusive services through advertising (posters, logos)
2. Focus on the convenience of the location.
3. Build community relationships through unique and quality service, friendly and caring atmosphere, and establishing absolute reliability of the services.

7.2.2. Promotion Strategy

Promotion is necessary for a new business in order to attract new customers. A promotional plan can have a wide range of objectives, including:

- sales increases
- new product acceptance
- positioning
- competitive retaliations
- present information to consumers
- differentiate a product and
- increase the demand

The promotional strategy will be:

Advertising: Use local newspapers and local magazines in order to promote the company and help grow its standing in the market place. After a period of two months, Quick spa will use local television and local radio to advertise its products and services.

Seasonal Promotions: Use seasonal promotion for seasonal events such as Mother's Day, Christmas, Valentine's Day...

Local Networking: Charities, women groups, community groups

Public Relations: Speeches and presentations, community activities and sponsorships, newsletters, magazines

Online Website: The website will have a full menu with the products and services offered by the company. Moreover, the clients will have the ability to schedule their appointments on-line without making a phone call.

Mouth- to -mouth: When a client leaves our business and he or she will be satisfied with the result, he or she is broadcasting our name and quality to the public. So, a client would simply bring new clients to us. Our business in order to please them will give them special rewards and discounts depending on the number of clients they bring.

Alliances: Place the brochures within the offices of the medical referral clients.

7.2.3. Pricing Strategy

The company should provide a range of products and services in such a range of prices that gives opportunities to clients with different capabilities to purchase products and services. Of course, the majority of products and services should be addressed to the high and middle income group but the existence of economical products and services will help the company to expand its customer base and therefore its sales even financial alternatives.

The pricing strategy will be similar to that of the competitors. The company will not charge over, nor substantially under, standard prices for its services. It will be paying its employees a higher straight percentage of its total individual customer sales than its competitors. This will allow the company to hire the best employees, and have a built-in motivational factor that will keep them working hard and happily.

7.3. Sales Strategy

Gift Voucher: Gift ideas for any occasion such as Valentine's Day, Mothers' Day, Honeymoon, Anniversary, Birthdays, and ideal for the person who has everything and is a bit tricky to buy for...

The great thing about the above is that you can be assured that the recipient will receive exactly what he/she wants.

Special offers in summer season: In summer time more packages will target brides and bridesmaids whether in winter time. We will offer variable packages for refreshing the body and the look from summer vacations.

Wedding Packages: Our qualified and professional team take care of the essential final touches, so that you look your absolute best on the day.

1. Bride's Essentials

- Make Up & Trial
- Bridal Hair & Trial

€300.00

2. Wedding Party Essentials

- Make Up
- Wash & Blow Dry

€90.00

7.4. Sales Forecast

The Sales forecast table requires a realistic development trend. There are two main areas of income: the spa massage and salon style services. The important elements of the Sales Forecast are shown in the following chart and table. The figures are based on revenue from minimum average estimates from the company. The income will expect to increase over the next three years. These statistics are based only on revenue from minimum average estimates from salon styling and spa massages.

Graph 7.1: Sales forecast-monthly

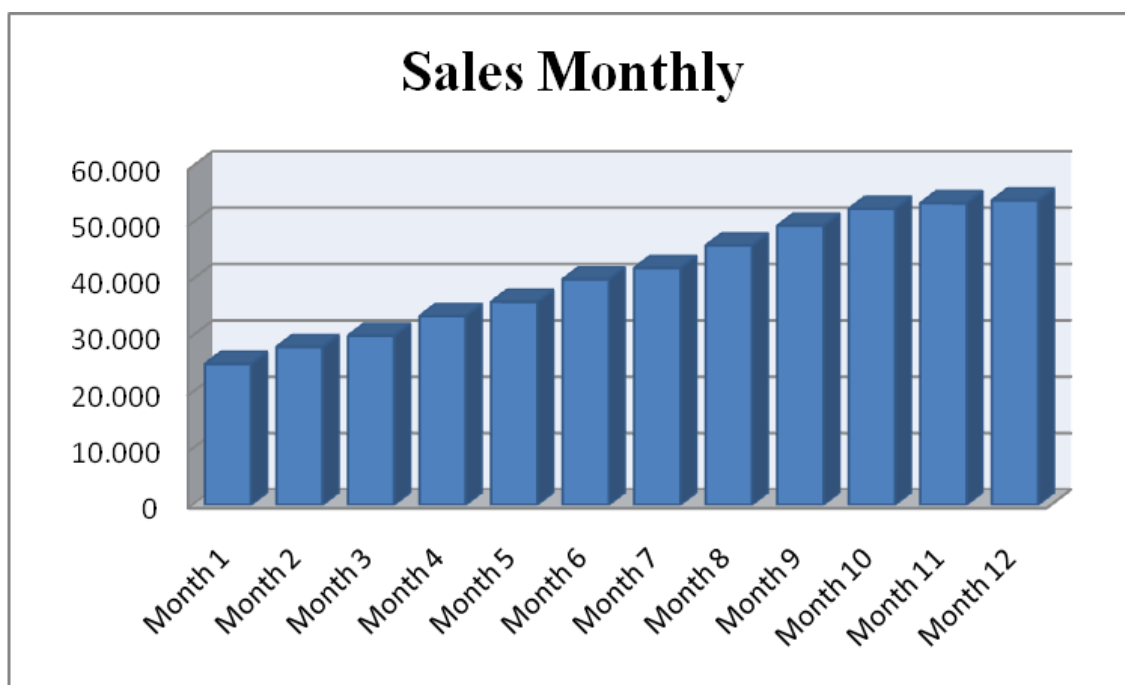


Table 7.1: Sales forecast-monthly

Month	€
Month 1	25000
Month 2	28000
Month 3	30000
Month 4	33500
Month 5	36000
Month 6	40000
Month 7	42000
Month 8	46000
Month 9	49500
Month 10	52500
Month 11	53500
Month 12	54000

Source: My own data

Graph 7.2: Sales by year

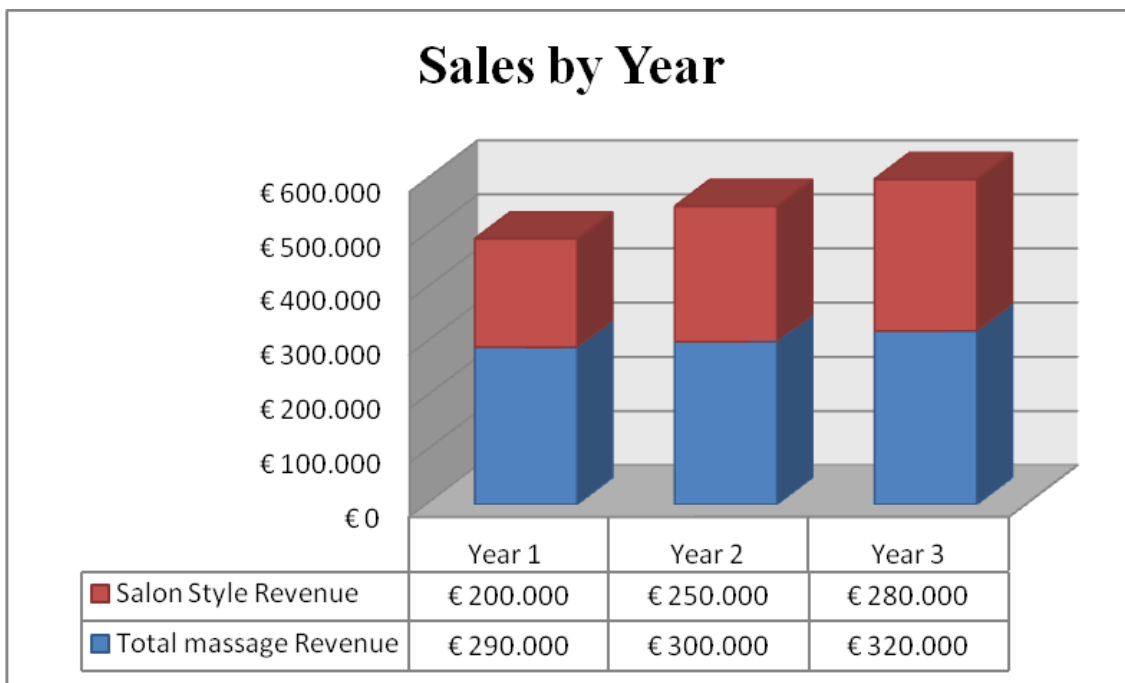


Table 7.2: Sales forecast- 3 first years

Sales Forecast			
	Year 1	Year 2	Year 3
Sales			
Spa Massage Revenue	€290.000	€300.000	€320.000
Salon Style Revenue	€200.000	€250.000	€280.000
Total Sales	€490.000	€550.000	€600.000
Direct Cost of Sales			
Spa Massage Revenue	€90.000	€100.000	€110.000
Salon Style Revenue	€100.000	€120.000	€150.000
Subtotal Direct Cost of Sales	€190.000	€220.000	€260.000

Source: My own data

7.4.1. Sales Program

Comprehensive brochure will explain the holistic nature of the products and services of the company, and how these benefit the customer.

The website will be fully informative of the products and services and their benefits.

CHAPTER 8: COMPETITION ANALYSIS

To formulate a business an excellent strategy needs instead of the macro – environment to analyze and the competitive (micro) environment.

The issue of the competitive environment must be seen as probably one of the most important issues. By gathering continuous data about competitors, such as their strategic strengths and weaknesses, their objectives, strategy, tactics and reaction patterns and the sort of marketing activity/budget, a company can decide its own position in relative terms and be prepared for what challenges are facing them in terms of competitor attacks. This information also can be used to interpret sudden moves by competitors and how they will respond to a move you are considering taking.

Porter (1980) and Doyle (1983) are both proponents of positioning strategy. Porter considers the external factors which impact upon a firm's competitive positioning. Doyle refers to the choice of target market segment which describes the customers. A business will seek to serve and the choice of differential advantage which defines how it will compete with rivals in the segment. Porter claims that competition is at the core of success or failure of the firm and that a successful competitive strategy can establish a profitable and sustainable industry position. He claims that there are two fundamental questions underlying the choice of a competitive strategy: firstly, how attractive is the industry with regard to profitability and secondly, what are the determinants of a competitive position within an industry. According to Porter there are five competitive forces that will govern the rules of competition and these rules will prevail in any industry both in domestic and international markets. Through the analysis of Porter forces, determination of the competition that exists in the industry that the company operates is recognized. Also we obtain useful information that will help the company in the strategy that wants to follow.

The five forces are:

1. the entry of new competition in the market
2. the threat of substitutes
3. the bargain power of buyers

4. the bargain power of suppliers
5. the rivalry between firms of the same sector [17]

The following figure shows diagrammatically the five forces of M. Porter and the relationship between them.

Figure 8.1: Porter's Five-Forces Model of Industry Competition



The entry of new competition in the market: It is understood that in a market where entry barriers is low, new entry is easy, while when it is high then it automatically becomes harder. The most common barriers to entry are:

-The existence of "economies of scale".

When existing competitors have "cost advantage" (cost advantage) through economies of scale, this means that potential competitors to enter the market with similar dynamics (which is costly and risky) or otherwise have "cost disadvantage" (cost disadvantage) and therefore lower profitability.

- The brand loyalty.

The higher the brand loyalty the stronger should be the marketing actions of potential competitors in order to "steal" customers from the leading companies in the market.

- The capital requirements.
- Access to distribution channels

The threat of substitutes: There is a limit to the prices that may put the business before the consumers turn to substitutes. This applies to periods of general financial health, but even more so in times when the things in the economy are not going so well.

The threat of substitute products is stronger when:

- There are good and readily available substitutes or constantly appearing new.
- Replacement products have attractive price.
- Replacement products are similar / better quality than standard.
- There is low "switching costs" for end users product.

The bargain power of suppliers: The bargaining power of suppliers is that they can raise prices or reduce the quality of their products. This will lead to depressed profitability of the industry as a whole if it can not be passed-totally or partially-increasing prices to final consumers.

The bargaining power of suppliers is greater when:

- Companies in the industry are facing high "switching costs" suppliers.
- There is a small supply from suppliers.
- The product is a supplier is highly diversified with thereby greatly increases the quality of the final product.
- There are few suppliers.
- Some suppliers are threatening to make "forward integration".

The bargain power of buyers: Buyers usually pushing the industry to reduce prices increase quality while also turning a company against another to reducing its profitability.

Bargaining power of buyers is greater when:

- There is low "switching costs" in competing brand or substitutes.
- Buyers have sufficient size to seek low prices and other easy when you buy large quantities.
- The purchase large quantities of the buyers are important for sellers.
- Demand is low or declining.

- There are few buyers.
- Buyers have the option to postpone their purchase in if it's not satisfying the conditions of sale.
- Some buyers are threatening to take "backward integration".

The rivalry between firms of the same sector: The current competition is the main strength. Every day the competitors in any industry, they are trying in different ways to outweigh their opponents. These methods include, for example, reduce prices, improve products, strengthen the brand name, the better distribution, better customer service, etc. In a highly competitive industry creating and especially maintaining competitive advantage is very difficult. Theoretically, the existence of competition is generally stronger when:

- Demand is growing at low rates (or decline sharply). When the "Pie" kept predictable - fixed then it is the next several competitors to try to keep / increase their share of this in any way.
- The number of competitors increases as and when competitor acquire similar "displacement " and capabilities.
- The product is a "commodity" (ie the products of competitors is essentially identical to each other) or is poorly differentiated (differentiated).
- " switching costs" (switching cost) to customers is small.
- There are high "exit barriers" (exit barriers) [18]

8.1. Competitive Edge

The threat of entry of new competitors in the aesthetic industry is always visible as margins are satisfactory. The entry of another company in the same industry, also implies the possibility that «Quick SPA» has to spent money for a new equipment, so that the company can compete and maintain market share.

By entering the Quick SPA in the sector, other companies that already exist in this area for many years, can reduce their prices to offer better packages and more economical while providing new products. In this way they want to try to keep their customers and maintain their share to a normal level.

The bargaining power of customers in the industry that operates Quick SPA is not easy because prices are stable and the only thing they can accomplish is a financial package or a few

months of free services. The greater the bargaining power of customers, the less the company's profits.

As for the competition of the «Quick SPA » and existing businesses in the region is that the other businesses due to longer life, have greater experience in the field consistently more responsive to individual market conditions whether it has to do with its suppliers, or their customers and also they have stable clientele.

The «Quick SPA» claims a monopoly position in the region in order to acquire a share in this market place and profits.

CHAPTER 9: RISK ANALYSIS

Risk analysis is the systematic study used to identify the risks and evaluate the factors that could affect a business.

Risks are an inevitable part of the business and can greatly influence the success or the failure of a project. For this, the risk analysis helps to reduce these risks which may occur at any time with negative affects at the competitiveness of the company.

The company wanting to timely response risks that lurking in the operating environment, plans to install systems identification, response and assessment of the risks and should have contingency plans.

Below analyzed all hazards that may be faced by the company during its operation.

1.Financial Risk: Financial risks are mainly having to do with running an enterprise and specifically how to tackle potential inability Payment of short-and long-term, substantial increase in lending rates, wrong investment decisions or any increase in raw material costs. so:

-closely monitor the price competition may lead to price pressure to down and have a weapon already low prices we offer

-due to continuous changes in the tax usually the prices of raw materials are transferred to the final product. This increased the company intends to absorb the values of reducing its profit margin .

2.Productive Risk: Our investment project is likely to face high rates growth or zero growth rates such as those we are to adapt our stock or to order more products from our suppliers.

3.Price Risks (market): Is the interest rate risk faced by the entire market, with rising interest rates on capital and consumer loans with variable interest rate.

4.Operational Risks: Operational risks are mainly related to exposure to legal risks such claims against the company, to environmental risks in reputation risks and negative publicity and risk of physical or technology.

Therefore, lifelong education of managers and employees in whole as well as the established discipline in quality systems of the company does not permit errors or omissions.

Expand the brand name of our company base of our quality products to avoid negative publicity.

5.Political Risk: One type of risk is the political risk faced mainly by governments, companies and investors. Political risk in our country is granted. One definition would be given are: exposure to adverse or volatile environment define economic conditions and policies in a country with which transacts business or operates. Valid for example, in our country the labyrinthine tax policy and constant change, social and racial disturbances resulting in the continuous interruption of economic life.

The market segments that aim as a company is not a risk significantly different from those of our country as we face the most severe economic crisis worldwide. However we as a company that respects the vision and customers, to harmonize the compliance of laws that they reduce our exposure to risks of this kind.

We assume as a company that predictions made and the realistic goals that we set, it brings us in a strong position to recoup fortunes risks that may arise with the least possible losses.

CHAPTER 10: FINANCIAL PLAN [19, 20, 21]

A financial plan is a series of steps or goals that used by a company to achieve these. The main factor in the financial plan is initiating, maintaining and improving the factors that create, stabilize and increase the cash flow. According to Helfert (2001), financial analysis is the process of determining and weighing the financial impact of business decisions.

A good accounting and financial analysis plan helps the business to keep under control and moreover provides the owners, management and others with the information and the confidence to make the best decisions and take the opportunities to help the business grow [21].

The financial analysis of a business is the most tangible practical part of the business plan which should reflect all the financial aspects of the entire business plan. For better financial analysis requires accurate and detailed data collected for this purpose on which the business plan has been created. To make a good financial analysis is significant to create the three pro forma financial statements; the balance sheet, the income statement and the cash flow statement. All of them are pro forma ones, but also there has to be added operating forecast, break-even analysis and financial ratios which depends on goal of business plan [23, 24, 25].

The company:

1. have to create visibility in order to create customer flow
2. need to maintain reliable, happy employee strength, in order to minimize turnover
3. create a strong recovery in retail and art products continuously maintaining sustainable levels of stocks.

10.1. Important Assumptions

The financial plan depends on key underlying assumptions, most of which are shown in the above general assumptions table.

Table 10.1.: 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	7%	7%	7%
Tax Rate	3%	0	3%
Other	0	0	0

Source: My own data

1. The company assume cash payments for all services.
2. Assume its financial progress based on realistic sales to minimum sales against highest expenses.

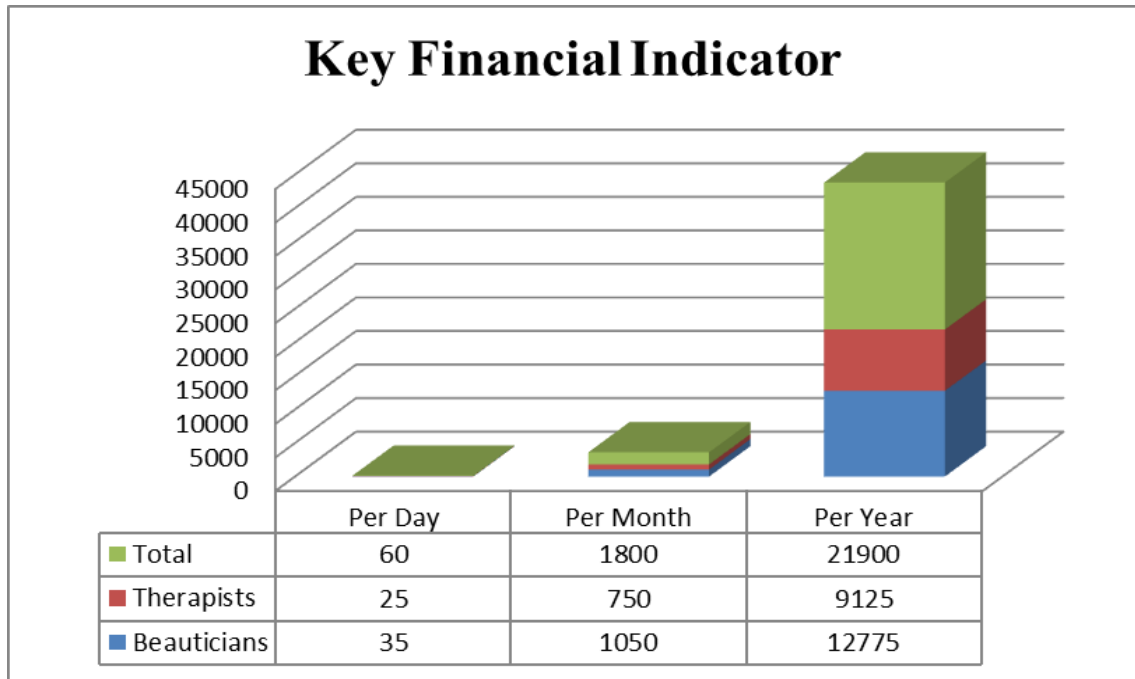
One of the most important assumptions is:

1. Assume a strong economy, will not be an economic crash, that would significantly impede the access to our target market to their personal luxury funds.

10.2. Key Financial Indicators

The most significant Key Financial Indicator is when each beautician averages seven customers per day and each therapist averages five customers per day.

Figure 10.2.: Key Financial Indicator



10.3. Financial Statements [26]

The financial statements are formal records that present the financial activities of the business, an individual or other entity. The financial information is presented in a structured manner and in a form clearly and easy to understand for both the business and for the readers.

The financial statements typically include: the income statement (also known as profit & loss), the cash flow statement and the balance sheet.

The income statement referred on a company's income, expenses, and profits over a period of time. Also, the income statement provides information on the operation of the business.

The cash flow statement referred on a company's cash flow activities principally its operating, investing and financing.

The balance sheet referred on a company's assets, liabilities, and ownership equity at a specific point in time.

10.4. Projected Profit & Loss

Our projected Profit & Loss pro forma shows how the value of the owner's claim on his or her business has increased or decreased between the start and the end of an accounting period.

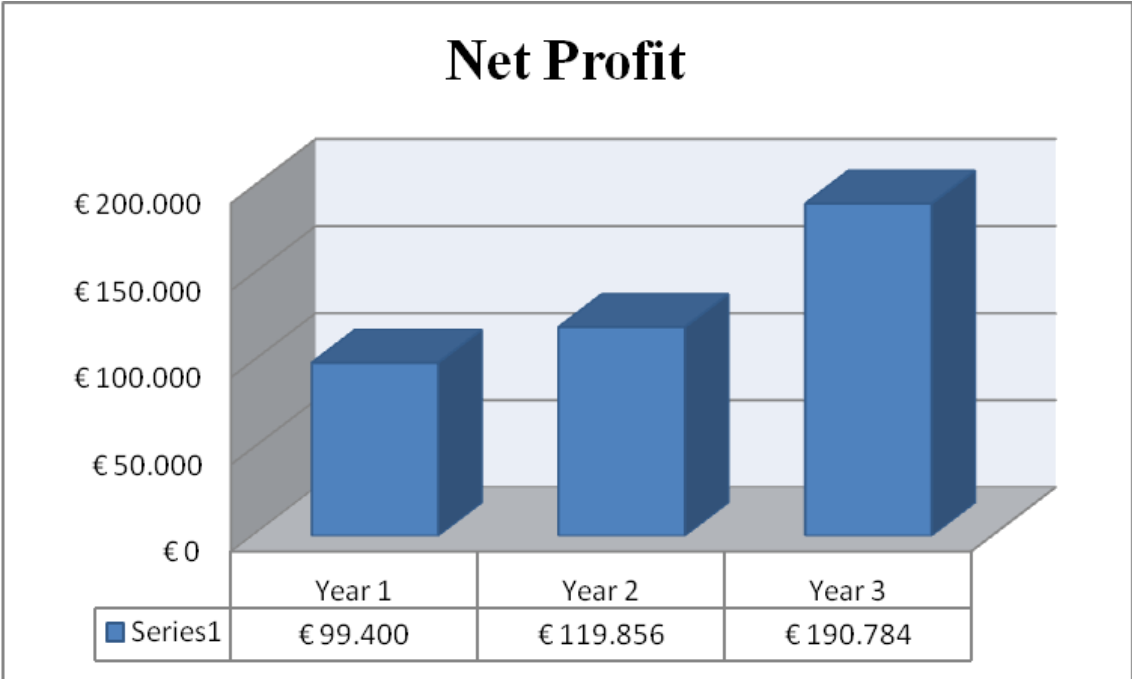
Table 10.3.: Pro forma Profit & Loss

Pro forma Profit & Loss			
	Year 1	Year 2	Year 3
Sales	€490.000	€550.000	€600.000
Direct Cost of Sales	€250.000	€300.000	€350.000
Other	0	0	0
Total Cost of Sales	€250.000	€300.000	€350.000
Gross Margin	€240.000	€250.000	€250.000
Gross Margin %	48.98%	45.45%	41.66%
Expenses			
Payroll	€120.000	€140.800	€161.200
Sales and Marketing & Other Expenses	€25000	€30000	€35000
Depreciation	0	0	0
Rent	€24000	€24000	€24000
Leased Equipment	0	0	0
Utilities	€10000	€10000	€10000
Insurance	0	€50000	€50000

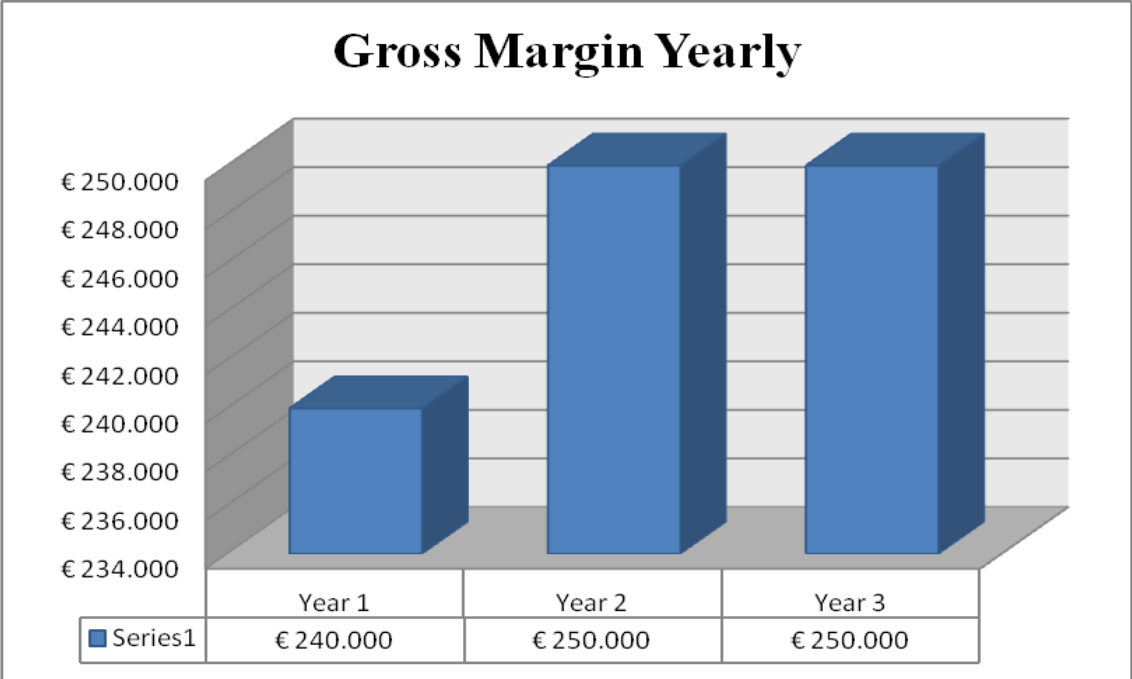
Payroll Taxes	€21600	€25344	€29016
Other	0	0	0
Total Operating Expenses	€200.600	€280.144	€309.216
Profit before Interest & Taxes	€99400	€119.856	€190.784
EBITDA	€99400	€119.856	€190.784
Interest Expense	0	0	0
Taxes Incurred	0	0	0
Net Profit	€99.400	€119.856	€190.784
Net Profit/Sales	20%	22%	32%

Source: My own data

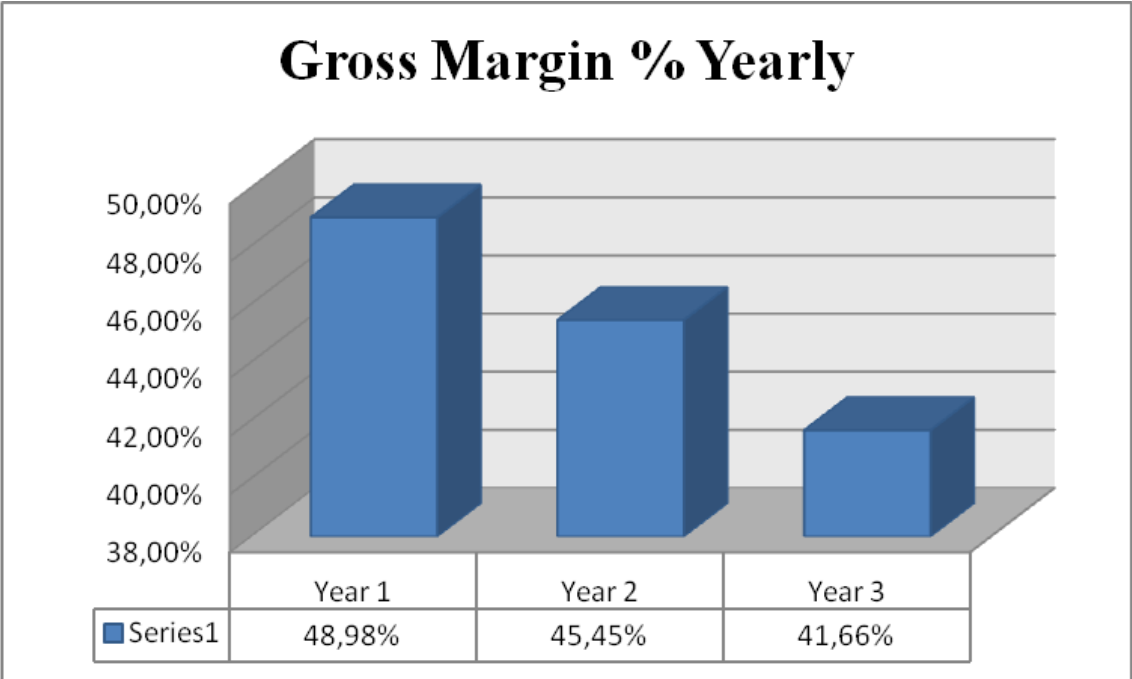
Graph 10.4.: Net Profit



Graph 10.5.: Gross Margin yearly



Graph 10.6.: Gross Margin % yearly



10.5. Projected Cash Flow

Taking into consideration that our business is a luxury retail business oriented with customers who will pay mainly with credit cards, our cash flow is not dependant on the issuance of invoices and the vagaries of Accounts Payable. So, we will need a little funding to cover the cash flow in the first year of operation. In future, the cash flow will become continual.

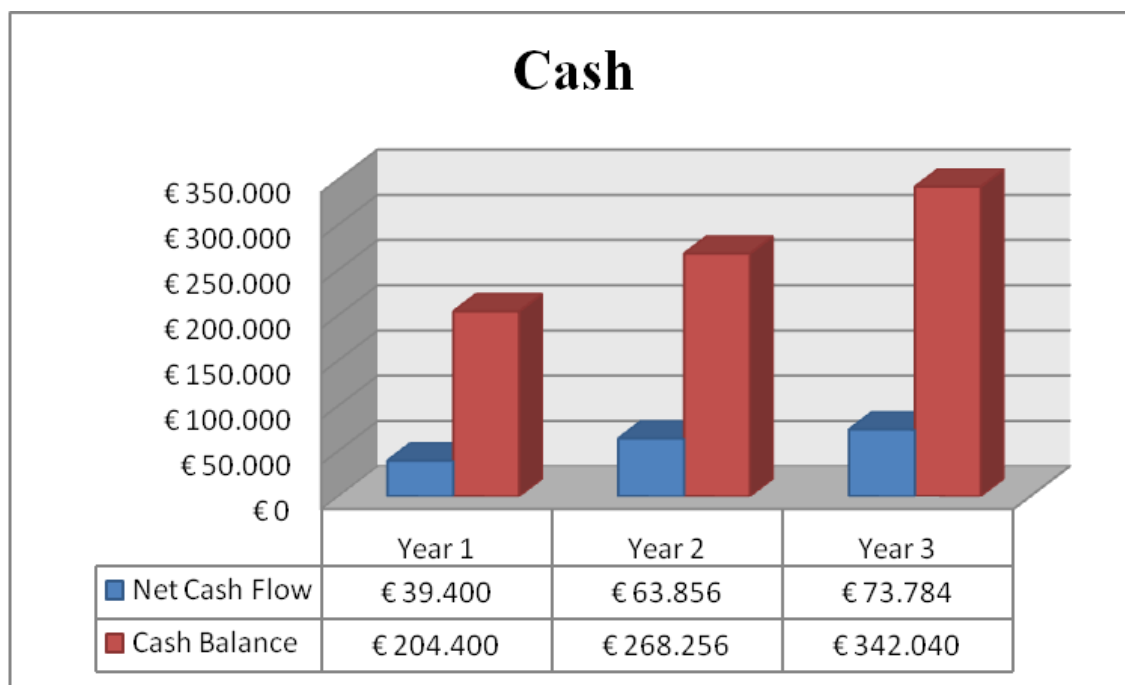
Table 10.7.: Pro forma Cash Flow

Pro forma Cash Flow			
	Year 1	Year 2	Year 3
Cash Received			
Cash from Operations			
Cash Sales	€490.000	€550.000	€600.000
Subtotal Cash from Operations	€490.000	€550.000	€600.000
Additional Cash Received			
Sales TAX, VAT, HST/GST Received	€0	€0	€0
New Current Borrowing	€0	€0	€0
New Other Liabilities	€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
New Investment Received	€0	€0	€0
Subtotal Cash Received	€490.000	€550.000	€600.000

Expenditures	Year 1	Year 2	Year 3
Expenditures from Operations			
Cash Spending	€120.000	€140.800	€161.200
Bill Payments	€ 330.600	€345.344	€365.016
Subtotal Spend on Operations	€450.600	€486.144	€526.216
Additional Cash Spend			
Sales TAX, VAT, HST/GST Paid out	€0	€0	€0
Principal Repayment of Current Borrowing	€0	€0	€0
Long-term Liabilities Principal Repayment	€0	€0	€0
Purchase other Current Assets	€0	€0	€0
Purchase Long-term Assets	€0	€0	€0
Dividends	€0	€0	€0
Subtotal Cash Spend	€450.600	€580.144	€659.216
Net Cash Flow	€39.400	€63.856	€73.784
Cash Balance	€204.400	€268.256	€342.040

Source: My own data

Graph 10.8.: Cash



10.6. Projected Balance Sheet

Our projected balance sheet shows the value of a firm's assets and the claims on those assets at a specified point in time.

Table 10.9.: Pro Forma Balance Sheet

Pro Forma Balance Sheet			
	Year 1	Year 2	Year 3
Assets			
Current Assets			
Cash	€204.400	€268.256	€342.040

Inventory	€170.000	€340.000	€355.000
Other Current Assets	€0	€0	€0
Total Current Assets	€374.400	€608.256	€697.040
Long-term Assets			
Long-term Assets	€0	€0	€0
Accumulated Depreciation	€0	€0	€0
Total Long-term Assets	€0	€0	€0
Total Assets	€374.400	€608.256	€697.040
Liabilities & Capital	Year 1	Year 2	Year 3
Current Liabilities			
Accounts Payable	€179.000	€342.000	€350.000
Current Borrowing	€0	€0	€0
Other Current Liabilities	€0	€0	€0
Subtotal Current Liabilities	€179.000	€342.000	€350.000
Long-term Liabilities	€0	€0	€0
Total Liabilities	€179.000	€342.000	€350.000
Paid-in Capital	€294.000	€294.000	€294.000
Retained Earnings	(124.000)	(24.600)	€95.256
Earnings	€99.400	€119.856	€190.784
Total Capital	€269.400	€389.256	€580.040

Total Liabilities & Capital	€374.400	€608.256	€697.040
Net Worth	€269.400	€389.256	€580.040

Source: My own data

CHAPTER 11: CONCLUSION

This business plan is the design of a company that deals with body care and relaxation – a spa business-, from its establishment until the path to development phase. The company's vision is clear –lead the market-. Through the goals we set, we hope the company to star in depth five years from the presentation of that business plan.

The strategic analysis was analyzed in detail the micro – environment and the macro – environment of the business. More specifically in the micro - environment we analyzed the effects of the market, suppliers, competitors, customers, intermediaries and of course his own organization. Through two very useful financial tools such as SWOT and PORTER 5 forces analysis we were able to focus fully clarity in the micro – environment. For the macro - environment used the SLEPT analysis which adequately explains the legal rules, social, economic, political and technological factors prevailing in the country of operation of the company.

Then we meet the company's organizational structure and the corporate culture that adopts the company. Simultaneously analyzed and the number of employees in the company.

After the objectives and the organizational structure of the company following the marketing plan. In very detailed analysis above refers to the segmentation - targeting the market, consumers and products offered by the company.

Prior to the financial evaluation of the project we analyze the risks that can address our company during operation and these are the financial risks, productive risks, risks prices (purchase), operational risks and end the political risk.

Reading carefully our business plan for Quick Spa Company finds that this is an original idea in its entirety. The success of any business in today's competitive and ever-changing economic environment is a function of many factors, but especially the people who work. So strong emphasis on high productivity of workers, but also the security and confidence you need to feel in order to achieve maximum productivity. Should also running the business to be exemplary and of course depending on the response of the public to expand its product portfolio.

Upon completion the development cycle described in our business plan, will reassess the market situation to succeed remain competitive and always available to our customers. In future it will consider expanding to other cities, as well as seeking opportunities for strategic alliances and mergers while going to reap funds from the capital market through investments from 2015 onwards.

The financial analysis of our business demonstrates the strong financial structure which is headed by our company during the first years of operation. Following a conservative policy on managing financials, we avoid exposing the company to undue borrowings and external risks that could impair the financial situation but also the reputation.

The Quick Spa will be standard development model. Our aim is not only profit but the beginning of a new business model which will be functional, pleasing to workers and consumers while promoting a culture different from that prevailing in the market. The transparency in all our processes are what will give us the leading position in consumer preferences.

References:

- [1] Sullivan, Arthur, Steven M. Sheffhrin (2003), *Economics: Principles in action*. Upper Saddle River, New Jersey 07458: Pearson Prentice Hall. p. 29. ISBN 0-13-063085-3
- [2] Bianchi, C., Winch, G. and Grey, C. (1998), *The business plan as a learning- oriented tool for small/medium enterprises: A business simulation approach*
- [3] McKeever, M. (2007), “*How to write a Business Plan*”, 9th Edition, Consolidated Printers, Inc., The USA, 2007
- [4] Linda, P. (2004), *Anatomy of a Business Plan: A Step-by-Step Guide to Building a Business and Securing Your Company’s Future*, 6th edition, p. 20. Dearborn Trade: Chicago, USA
- [5] Small Business Notes business plan outline for small business start-up
- [6] Boston College, Carroll School of Management, Business Plan Project The business school advises students that "To create a robust business plan, teams must take a comprehensive view of the enterprise and incorporate management-practice knowledge from every first-semester course." It is increasingly common for business schools to use business plan projects to provide an opportunity for students to integrate knowledge learned through their courses
- [7] Maslauskaitė, V., Koumpis, A. (2011), *Financial Analysis of Business Plan*, p.479-493
- [8] Colin, M., Stark, M. (2004), “What do Investors Look for in a Business Plan?”, *International Small Business Journal*, London, vol. 22(3), pp. 227–248
- [9] Honig, B., Karlsson, T. (2004), *Journal of Management* 2004 30(1) 29–48, Institutional forces and the written business plan
- [10] DeThomas, A. and Derammelaere, S. (2008), “Writing a Convincing Business Plan” 3rd Edition, *Barron’s Educational Series press*, The USA, 2008
- [11] Brooks, J. K. and Stevens B. A. (1987), “How to Write a Successful Business Plan”, The USA, 1987
- [12] Abrams, R. (2003), *The Successful Business Plan: Secrets and Strategies* 4th edition 2003, Published by the Planning Shop ISBN:0-9669635-6-3 introduction xxxiv

[13] Eric S. Siegel, Brian R. Ford, Jay M. Bornstein (1993), 'The Ernst & Young Business Plan Guide' (New York: John Wiley and Sons) ISBN 0-471-57826-6

[14] Harvard Business School Press-Pocket Mentor, "Creating a Business Plan"

[15] Kotler, Armstrong, Philip, Gary. *Principles of Marketing*. Pearson education

[16] Kotler, Phillip and Armstrong, G. (2006), *Principles of Marketing (Version 12/E)*. Pearson Education Inc. New Jersey

[17] Porter, M. (1980). *Competitive strategy: techniques for analyzing industries and competitors*. New York: Free Press

[18] <http://bizwriter.gr/2007/05/porters-five-forces-model/>

[19] Hillier, D., Ross, S., Westerfield, R., Jaffe, J. and Jordan B. (2010) *Corporate Finance*, 1st edition, Published by McGraw – Hill Education

[20] Hilton, W. R. and Platt, D. E. (2011) *Managerial Accounting*, 9th edition, Published by McGraw – Hill Education

[21] Ryan, B. (2008) *Finance and Accounting for Business*, 2nd edition, Printed by Seng Lee Press

[22] Bradley, A. R. and Myers, S. C. (1996), "Principles of Corporate Finance" ,5th Edition, Donnelley R. R. and Sons Company, The USA, 1996

[23] Helfert, E. A. (2001), "Financial Analysis Tools and Techniques: a Guide for Managers", The USA, 2001

[24] Palepu, K. G., Healy, P.M, Bernard, V. L. (2004),"Business Analysis & Valuation: Using Financial Statements", 3rd Edition, Mason, Ohio, 2004

[25] Presentation of Financial Statements" Standard IAS 1, International Accounting Standards Board.

