

## BUSINESS IDEA FOR SETTING UP A BEAUTY SALOON

This business idea is aimed at setting up a Barber's shop. The idea is premised on making different hair styles and hair cuts for both males and females. The business has a good market demand due to the changing fashion of hair trends among Ugandans especially the youths. The revenue potential is estimated at US\$ 2,273 per month which translates into US\$ 27,273 per year. The project cost is US\$ 11,582.

### Process Description

Depending on the customer's desired style or service being sought for.

### Market Analysis

The business has a great market demand in both rural and urban areas throughout the year and a higher demand during festive seasons. The major players in this sector include; LA' Saloon, Exotic Saloon Kamyokya, Delight Saloon, among others.

### Capital Investment Requirements in US Dollars

Item	Unit	Qty	Unit Cost	Total
Water heater	No.	1	25	25
Towels	No.	10	1.3	13
Sink	No.	1	10	10
Aprons	No.	10	1.8	18
Smoother	No.	1	8	8
Furniture	No.			300
Shavers	No.	5	25	125
Fan	No.	2	50	100
Wall Styling mirrors	No.	3	18	53
Combs	Sets	3	8	23
<b>Total cost of Machinery</b>				<b>673</b>

### Production and Operating Costs In US\$

#### Direct Materials, Supplies and Costs

Cost Item	Units	Unit Cost/day	Qty/day	Prod. cost/day	Prod. Cost/month	Prod. Cost/year
After shave	Tins	7.5	1	8	195	2,340
disinfectants	Tins	3	1	3	78	936
Spray	Tins	13	1	13	325	3,900
Powder	Tins	2	1	2	52	624
<b>Sub-total</b>					<b>650</b>	<b>7,800</b>
General costs (Overheads)						
Utilities (power)					15	180
Utilities (water)					8	90
Salaries					125	1,500
renting					100	1,200
Depreciation (Assets write off) Expenses					12	139
Sub-total					<b>259</b>	<b>3,109</b>
<b>Total Operating costs</b>					<b>909</b>	<b>10,909</b>

Production costs assumed are for 312 days per year with a daily capacity of 30 Customers.

Depreciation is charged on electrical equipment and furniture and assumes 2 years life of assets write off at 25% per year for all assets.

Direct costs include: materials, supplies and other costs that directly go into production of the product.

### Product Cost and Price Structure In US\$

Item	Qty/day	Qty/yr	Unit Cost	Prod. Cost /year	Unit price	Total revenue
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Hair cuts	30	9,360	1.2	10,909	2.5	27,273
				<b>10,909</b>		<b>27,273</b>

### Profitability Analysis In US\$

Profitability item	per day	per month	per year
Revenue			
Hair cuts	87	2,273	27,273
Less Prod & Operating Costs	35	909	10,909
<b>Profit</b>	<b>52</b>	<b>1,364</b>	<b>16,364</b>

### Source of Supply of Equipment and Rawmaterials

All these equipments and Rawmaterials can be purchased from the local market.

### Government Incentive

The Government is encouraging the setting up of Small Scale businesses through empowerment in form of Grants.

