

## **Part I - Executive Summary**

### Barbers On The Go

Have you ever had trouble finding the time to get a haircut due to your busy schedule? Are you tired of going out of your way to get to the barbershop? Then you should consider trying Barbers On The Go (“BOTG”). When you need to look your very best at any time, our professionals are only a call or click away and will come directly to you. Not only do we provide our services to adults, but our barbers are trained to cut hair for all ages. Barbers On The Go will provide a convenient service, at a reasonable price, to customers who are looking for ways to simplify their lives. This business concept has already proven to be extremely successful through surveys and word of mouth in our local community. In addition, the long-term success of the business looks very promising since people will always be in need of haircuts and schedules will only continue to become busier.

## **Part II - Description**

### Idea and Background

The idea of Barbers On The Go was developed by our founders after constantly not being able to get our hair cut. Often, we would have to look simply horrific in public due to not being able to get a ride to the barbershop or just not having the time to get there. We wanted to provide Barbers On The Go to those who go through the same struggles as we went through and to the rest of the community as well. People will be able to get treated by the best barbers according to their schedules and where or whenever they need the service provided to them. Customers can easily make appointments by calling our headquarters downtown, using our “Barbers On The Go” app on all devices, or going to our BOTG.com website.

### Description

Barbers On The Go will be a service business that provides people with the best professional barbers and stylists who will come directly to them. Due to the business being transportation based, we will have most of our barbers/employees using their own personal cars as a way to get to the customers. In addition, some of our barbers will operate our company-leased, walk-in vans where customers come in to get their haircuts at various locations around the city.

### Location

Barbers On The Go will start in our hometown of downtown Cincinnati, Ohio. Our headquarters will be located at 18 W. 9th Street, Cincinnati, Ohio in a 12,000 square-foot, two-story office building that was built in 1990. There are lots of parking garages and surface lots within one block of the building as well. This will be convenient for our customers if they want to come and talk to a manager or have any suggestions or concerns that deal with customer service. The parking can also be used by our barbers when they need to come into the office for meetings or training.

## **Part III - Objectives**

### Overview

The main objective of BOTG is to provide a convenient service, at a reasonable price, to customers who are looking for ways to simplify their lives. As the business grows and becomes well-established in our hometown of Cincinnati, Ohio, we hope to take this small partnership and transform it into a successful corporation with locations across the country. The primary area that we would like to focus on is making sure BOTG is being promoted to the public as soon as possible in order to facilitate our expansion. We plan to do this through a combination of online advertisements, promotions on social media, and billboards on the highways. Our company-leased, walk-in vans will also serve as mobile advertisements around the city.

### Online Advertising

Using social media websites, banner ads, and Google AdSense/AdWords, we can advertise online. Our use of online advertisements is our cheapest and most effective way to reach out to our customers since everyone is on the internet nowadays with their phones, computers, tablets, etc. We believe that it is important to interact with customers directly so that we can meet their needs and continue to please them. Online advertising is the perfect way to do this.

### Physical Advertising

We will also make use of billboard ads along roads and highways, targeting customers while they are on the go themselves. As customers drive to and from work and are stuck in traffic, they will see our billboards and be reminded of how our service will make their lives less stressful. In addition, we will have company-leased, walk-in vans driving to various strategic locations around town to promote our business while serving customers.

## **Part IV - Proposed Business Strategies**

### Strategy

The startup strategy for BOTG is to start small to make our business well known locally, which will then make it easier to expand and grow from there. We will use a small number of company-owned, walk-in vans to promote BOTG throughout the city. However, we will primarily make use of our barbers' own vehicles to provide our services throughout the Cincinnati area. This will allow us to grow quickly without purchasing our own fleet of vans. Our business model will be similar to that of Uber™, which has people sign up as drivers and then use their own cars to transport customers. We will have certified barbers sign up with our service, and after a background check they can begin serving our customers. We plan to expand to other major cities in Ohio within a year, and then continue to grow across the country from there. Our long-term goal is to become a nationwide corporation with operations in every state.

## **Part V - Product(s) and/or Services(s) to be Provided**

### Service

Barbers On The Go provides a convenient service – haircuts – that everybody needs. What sets us apart from other barbers is that we work around your schedule and we come to you. We have the best barbers and stylists come to you in order to get your haircuts fast, saving you time.

### Pricing

At BOTG we price at a reasonable rate so that customers will be satisfied overall for the service and so they will continue to come back and make more appointments. Kid aged 5-12 will cost \$7, teens aged 13-17 will cost \$10, and adults aged 18 and older will cost \$15 for the service. When a driver commutes to the customer's location due to the convenience and because of the cost for other expenses, there is an additional \$8 fee for a haircut at any age.

### Promotions

At Barbers On The Go we provide a reward points system to our customers so that they can earn points to get coupons, discounts, and even FREE haircuts.

### Convenience

Our barber service provides the advantage for customers to get their haircuts without having to leave their homes/locations or have to come to the barbershop in order to get their haircuts. The primary way for customers to get their haircuts is through our professional barbers coming to them in their own personal vehicles. BOTG will also lease three walk-in vans to allow customers to easily get their haircuts in convenient locations across the city of Cincinnati.

## **Part VI - Management and Ownership of the Business**

### Owners

Barbers On The Go will start off as a partnership and be run by the owners. The Chief Executive Officer will be Malcolm McEwen, who will manage the overall strategic vision of the company and oversee the growth of BOTG. The Chief Financial Officer will be Nicholas Harper, who will be accountable for the administrative, financial, and risk management operations for BOTG. The Chief Operating Officer will be Jalen Perry, who will design business strategies, establish company policies, and oversee operations of the company and the work of executives. The Chief Marketing Officer will be Brandon Bennett, who will be in control of the marketing and advertising for BOTG. Overall, the job of the owners will be to focus on making connections in the community and building relationships to expand.

## General Manager

Another job that we will require is the General Manager. The GM is trusted by the owners and is second in charge to train incoming BOTG barbers and make sure all employees are performing well. This title is given the best representative of our barbers and is the most experienced from their time at being at BOTG. They will be in charge of opening and closing the headquarters downtown. The GM or an owner will be required to be at headquarters during normal business hours.

## Employees

BOTG employees will include receptionists, marketing managers, and the barbers themselves. The receptionists are responsible for answering calls, scheduling barber appointments, and keeping track of financial statements for all business days. The job of a marketing manager is to simply make BOTG known to the people. Our most creative employees will brainstorm possible company commercial advertisements and ideas for new ways to get the company out to the public.

## **Part VII - Market Analysis**

### Target Market

Barbers On The Go will target male and female adults, but will also offer haircuts to all ages. Here at BOTG we want everyone to have a taste of a convenient and high-quality barber service. Adults will primarily be our focus because they are the ones that are often busy, but still need to always look their best.

### Competition

There are typically hundreds of barbershops in every city in the U.S. but few, if any, of those barbershops provide an “on the go” service or will actually go out to the customer. Shortcuts™ is one of our direct competitors in the Cincinnati area. Shortcuts™ provides a similar type of service as Barbers On The Go, but with Shortcuts™ you have to schedule in a week advance. At BOTG you have the ability to make appointments on the spot and on short notice.

## Part VIII - Financial Analysis

### Startup Cash Flow Needs

Barbers On The Go recently raised a total of \$105,000 to start operations in the Cincinnati area, including an equity investment of \$5,000 from the owners and a loan of \$100,000. We used the investment and loan proceeds to fund startup cash, purchase inventory and supplies, buy office furniture, and obtain electronic equipment.

#### STARTUP CASH FLOW NEEDS

<u>Category</u>	<u>Items</u>	<u>Amount</u>
Startup Cash	Operating Cash on Hand.....	\$5,000
	Opening Wages & Salaries <sup>1</sup> .....	45,760
	Building Lease and Utilities Deposit <sup>2</sup> .....	20,000
	Van Lease <sup>3</sup> .....	3,600
	Grand Opening Party .....	<u>4,000</u>
		\$78,360
Inventory & Supplies	Inventory <sup>4</sup> .....	\$4,000
	Promotional Materials.....	5,000
	Office Supplies .....	<u>640</u>
		\$9,640
Office Furniture	Tables.....	\$1,000
	Desks.....	4,000
	Chairs & Sofas .....	<u>1,000</u>
		\$6,000
Electronic Equipment	Server .....	\$4,000
	Security System .....	1,000
	Computer System.....	<u>6,000</u>
		\$11,000
	TOTAL STARTUP CASH FLOW NEEDS	\$105,000

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- 1 Opening Wages & Salaries: represents two months of pay to the 2 general managers (\$20/hour x 160 hours/month x 2 months), 1 marketing manager (\$15/hour x 160 hours/month x 2 months), 6 barbers (\$9/hour x 160 hours/month x 2 months), and 4 receptionists (\$8.50/hour x 160 hours/month x 2 months).
  - 2 Lease and Utilities Deposit: represents two months of lease payments and utilities expenses.
  - 3 Vehicle Lease: represents two months of lease payments on 3 vans.
  - 3 Inventory: represents two months' worth of inventory on hand at opening, calculated at cost.

Beginning Balance Sheet

Based on the projected startup costs and capital requirements, the following table shows a beginning balance sheet for Barbers On The Go.

**BEGINNING BALANCE SHEET**

Assets

Cash.....	\$78,360
Inventory & Supplies .....	9,640
Office Furniture .....	6,000
Electronic Equipment.....	<u>11,000</u>
Total Assets .....	<u>\$105,000</u>

Liabilities

Loan .....	\$100,000
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Owners' Equity

Capital .....	<u>5,000</u>
Total Liabilities and Owners' Equity.....	<u>\$105,000</u>

## Income Statement Projections

The table below shows monthly income statement projections for Barbers On The Go. A detailed explanation of the assumptions used in these projections is shown following the table.

### **MONTHLY INCOME STATEMENT PROJECTIONS**

#### Revenues

Hair Cut Revenues <sup>1</sup> ..... \$64,800

#### Operating Expenses

Wages Expenses <sup>2</sup> ..... \$22,880

Building Lease and Utilities <sup>3</sup> ..... 10,000

Vehicle Lease <sup>4</sup> ..... 1,800

Fuel Expense <sup>5</sup> ..... 6,750

Insurance ..... 250

Advertising and Website ..... 3,000

Miscellaneous ..... 200

Loan Payment <sup>6</sup> ..... 1,945

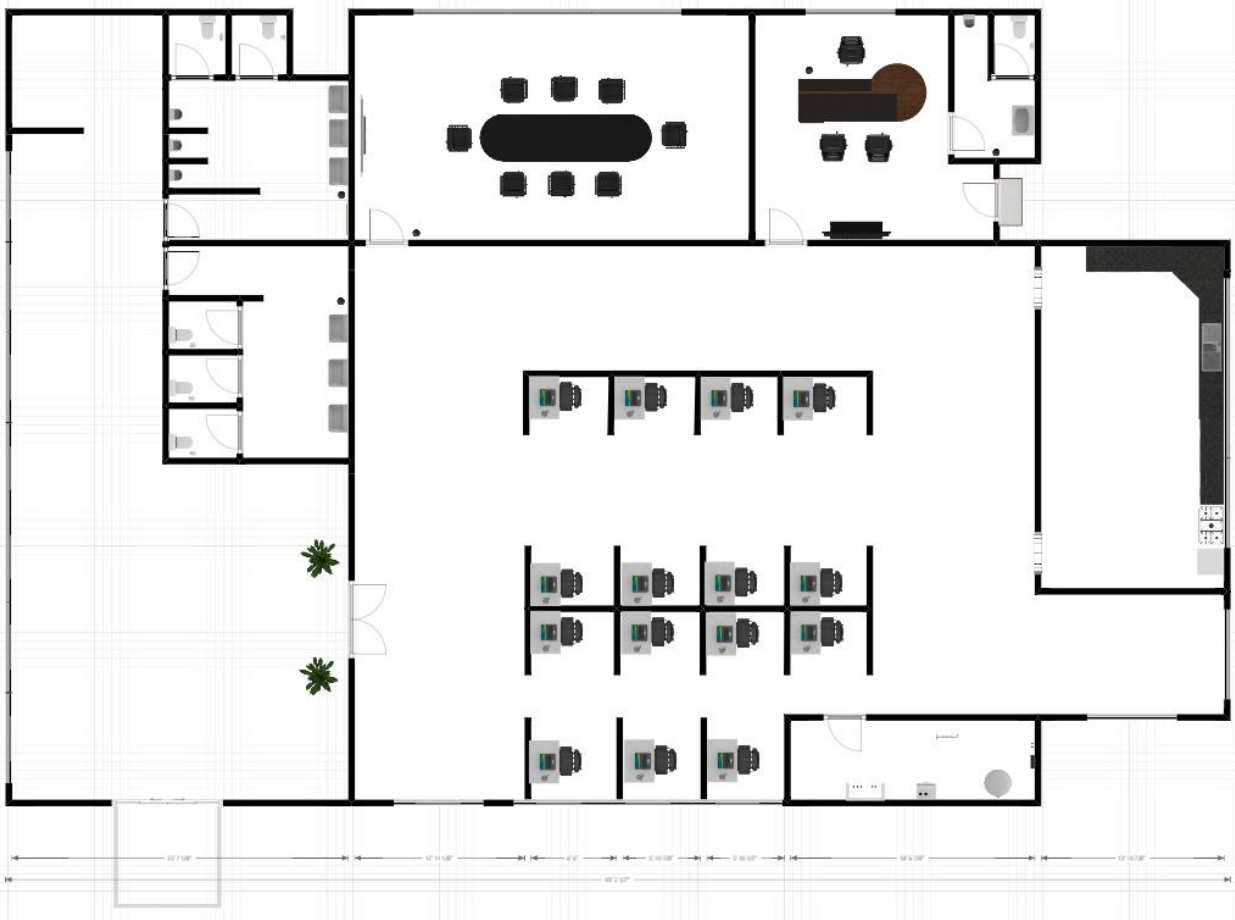
Total Operating Expenses ..... \$46,825

Net Income ..... \$17,975

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- 1 Hair Cut Revenues represents 20 haircuts per barber per day at an average price of \$18 per customer (\$10 for the cut and \$8 for convenience).
  - 2 Wages Expense: represents 2 general managers (\$20/hour x 160 hours/month), 1 marketing manager (\$15/hour x 160 hours/month), 6 barbers (\$9/hour x 160 hours/month), and 4 receptionists (\$8.50/hour x 160 hours/month).
  - 3 Building Lease and Utilities: represents a lease payment of \$9,000 per month (\$9 per square foot per year) and utilities expenses of \$1,000.
  - 4 Vehicle Lease: represents lease payments on 3 vans at \$600 per van per month.
  - 5 Fuel Lease: estimated at \$75 per day per van.
  - 6 Loan Payment: \$100,000 loan paid over 5 years at an interest rate of 6.25%.

**Part IX—Supporting Documentation**

Office Layout Illustration





## Outside View of Office



18 West 9<sup>th</sup> Street, Cincinnati, OH 45202

## Owner Resumes

Resumes for the owners of Barbers On The Go are included for your review. The owners include:

- Malcolm McEwen, Chief Executive Officer
- Nicholas Harper, Chief Financial Officer
- Jalen Perry, Chief Operating Officer
- Brandon Bennett, Chief Marketing Officer