

**Sweet Spot**

**Executive Summary**

*A Day Time Spa for Girls*

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| --- | --- |
| **Company Background** | **Contact Information**  Delanie Swan  860-573-5292  Lanie\_lynn\_11@yahoo.com  Sweet Spot  Manchester, CT  06040  **Year Founded**  2020  \_\_\_\_\_\_\_\_\_\_\_\_\_  **Investment Opportunity**  $19,385.90  **Annual Operating Costs**\*  $43,221  **Annual Sales**\*  $104,400  **Annual Profit**\*  $30,524.14  **Return on Sales\***  .2923%  **Return on Investment**\*  1.57%  **Breakeven Units/Month**\*  **16 units**  *\*Projected* |
| Business Description: My business name is Sweet Spot. I am a service business that provides little girls ages 3-12 a chance to enjoy spa life. Sweet Spot is a LLC that will protect my personal belongings. I am found in the Spa and Wellness Center industry. |
| Business Model: This is a good way to get little girls out and enjoy a relaxing time while having fun. I will offer birthday parties so this will be a chance for my business to grow. |
| Mission Statement: Sweet Spot A Day Time Spa for Girls will provide little girls a place where they can relax, have fun, and enjoy sweets while getting a massage, facial, manicure, and pedicure! |
|  |
| **Market Opportunity** |
| Opportunity: The problem is there is not a spa for little girls in this area. I believe many girls are tired of the same old birthday party or special occasion like chuck e cheese where you get tokens, play a game, win tickets, to get prizes. |
| Target Market: I am targeting girls ages 3-12 in the Manchester Connecticut area. |
| Industry Overview: Sweet Spot is in the Spa and Wellness Center industry and Americans spend about $13 billion on this industry. |
| Market Research: I am targeting girls ages 3-12 in the Hartford county (894,705) but more specifically the Manchester area (24,155) because it is near the shopping malls. |
|  |
| **Leadership** |
| Qualifications: I am qualified to run this business because I am certified in CPR. I have been working with kids for over 3yrs doing volunteer service for my towns youth football and cheerleading team. |

**Sweet Spot**

**Delanie Swan**

**Business Plan**

*A Day Time Spa for Girls*

**1. OPPORTUNITY RECOGNITION & BUSINESS STRUCTURE**

**1.1 Business Opportunity**

The spa for girls ages 3-12 will be a great opportunity for little girls that do not know what it is like to get pampered. This is a good way to get little girls out and enjoy a relaxing time while having fun. It will make them feel like their moms or who ever they look up to. There is nothing like this around in this area. I will offer birthday parties so this will be a chance for my business to grow.

**1.2 Type of Business**

Sweet Spot will be a service business that provides little girls with the spa experience.

**1.3 Type of Business Ownership**

Sweet Spot will be a Limited Liability Company (LLC) owned by Delanie Swan which protects my personal belongings and allows the company tax benefits.

**1.4 Mission Statement**

Sweet Spot A Day Time Spa for Girls will provide little girls a place where they can relax, have fun, and enjoy sweets while getting a massage, facial, manicure, and pedicure!

**1.5 SocialResponsibility**

Sweet Spot (A Day Time Spa for Girls) will donate 5% of the net profits to the Breast Cancer Research Foundation(Susan G. Komen). This will help females with this disease. I did this because my mom has Breast Cancer and this would be a chance to help.

**1.6 Qualifications**

I am qualified to run this business because I have a passion for children. I deal with children on a daily basis because I volunteer for my town’s Youth Football Organization for over 3yrs. I also have an aunt that is a hairdresser so that will be a really big help. I love to do nails, hair, and give massages. This is a chance to pamper the girls and show them how to relax. I am CPR certified so just to be safe I can help if anybody gets hurt.

**2. MARKET RESEARCH**

**2.1 Market Research**

I found out that Sweet Spot is in the Spa and Wellness Center industry and Americans spend about $13 billion on this particular industry. I found there were 894,705 in the Hartford County but there are only 2,155 children under the age of 18 in the Manchester area which is where I am targeting.

**2.2 Target Market**

*Demographic Information*: Little girls ages 3-12

*Geographic Information*: Manchester, Ct near the Mall area

*Psychographic Information*: Girly personality. They must like to dress up, do nails, hair, etc.

*Buying Patterns*: Looking for a new place to have a birthday party (once a year)

**2.3 Competitors**

*Direct Competition:*My direct competition is Sundae Spa located in Waterbury, CT because we do the exact same thing for little girls.

*Indirect Competition:*My indirect competitors are Chuck E. Cheese, Bounce U, and Nomadsbecause they hold birthday parties but not specifically for girls.

**2.4 Competitive Advantage**

1. Local
2. Competitive Price
3. Spa Experience

**2.5 Business Growth**

*Short-Term Business Goals:*One short term goal I have is trying to sell at least 16 birthday parties a month. So for one full year I will be able to sell 192 units.

*Long-Term Business Goals:* Some long term goals I have are to hire workers so I can have extra help which will help my business grow in the future.

**2.6 Challenges**

*Short-Term Business Challenges: One short term challenge Sweet Spot has is building more advertising ways.*

*Long-Term Business Challenges:*One long term challenge Sweet Spot has is finding a different rental space which will help the business have more space for working with the girls. I believe I will be able to hold more than one birthday party at a time.

**3. PROMOTION & SALES**

**3.1 Marketing Plan**

Sweet Spot will market to girls ages 3-12 with a girly personality that likes to dress up, do nails, hair, get toes done, etc. This will provide a new choice for mothers, daughters, and their friends to have a good time.

The marketing plan will highlight the following customer benefits:

1. Chance to build my clientele.
2. Fun way for the little girls to enjoy themselves with each other.
3. A new choice for the girls to have birthday parties.
4. Sweet treats for the girls to enjoy while getting pampered.

**3.2 Promotion**

Sweet Spot will engage in 5 types of promotion including Business cards, Word of mouth, and Direct store front, Website, and Social Media.

1. *Business Cards:*There will be an attached business card with every sale we make.
2. *Word of mouth:*With every sale I make a satisfied customer will spread the word so others will know about my business so it will grow.
3. *Direct store front:*This will be able to promote directly at my store.
4. *Website:*This will provide more information on Sweet Spot.
5. *Social Media:*I will place photos of satisfied customers and they will share the news.

**3.3 Sales Methods**

Sweet Spot will depend mostly on visual merchandising which includes displaying signs and posters from my direct store front.

*Steps a consumer follows to purchase my product OR service* (delete one)*:*

1. The customer will contact me by phone or come to my direct store front.
2. The customer will email me and make appointments for their daughter’s birthday party.

**3.4 Sales Estimates**

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| --- | --- |
| Factor | Influence on sales |
| Market Analysis | The number of children younger than 18 year olds in the Manchester area (24,155) |
| Maximum Capacity | Sweet Spot has a maximum 4 units per week (12hrs) which means I can have a minimum of 16 birthdays per month. My sales estimate with my maximum capacity. |
| Break Even Units | I must sell 16 units per month to cover my fixed expenses. |
| Seasonality | In the months of June, July, and August is when I predict I will have the most sales because the girls are out of school and want to show off their nails, toes, and hair. In December I will also have a good amount of sales because it is around Christmas time and parents will probably buy gift cards. |

|  |  |  |
| --- | --- | --- |
| Month | Units | Revenue |
| January | 16 | $4,800 |
| February | 20 | 6,000 |
| March | 16 | 4,800 |
| April | 16 | 4,800 |
| May | 30 | 9,000 |
| June | 35 | 10,500 |
| July | 45 | 13,500 |
| August | 40 | 12,000 |
| September | 30 | 9,000 |
| October | 30 | 9,000 |
| November | 30 | 9,000 |
| December | 40 | 12,000 |
| **Annual Total** | **348** | **$104,400** |

**4. FINANCIAL INFORMATION& OPERATIONS**

**4.1 Definition of One Unit**

My definition of one unit is a birthday party for five girls lasting as long as 3 hours because it is easier for me to deal with.

**4.2 Variable Expenses**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Materials** | | | | | | |
| Material Description | | Bulk Price | Bulk Quantity | | Quantity per Unit | Cost per Unit |
| Nail Polish  Cotton Balls  Toe Separators | | $54.00  $29.64  $18.00 | 1  1  1 | | 24  4000  36 | $2.25  $0.01  $0.50 |
| Cap  Lotion | | $10.50  $22.50 | 1  1 | | 100  21lbs | $0.11  $11.25 |
| Shampoo | | $5.96 | 1 | | 1 | $5.96 |
| Cotton Candy  Juice  Ice Cream  Lollipops | | $32.28  $24.76  $12.99  $6.25 | 1  1  1  1 | | 24  40  24  12 | $1.35  $0.62  $0.52  $3.03 |
| **Total Material Costs per Unit** | | | | | | **$23.11** |
|  | | | | | | |
| **Labor** | | | | | | |
| Cost of Labor per Hour | Time (in hrs) to make one unit | | | **Total Labor Costs per Unit** | | |
| $8.25 | 3 or 0.05 hours | | | **$24.75** | | |
|  | | | | | | |
| **EOU** | | | | | | |
| Material Costs | Labor Costs | | | **TOTAL EOU** | | |
| $23.11 | $24.75 | | | **$47.86** | | |

**4.3 Economics of One Unit**

|  |  |  |  |
| --- | --- | --- | --- |
| **Selling Price per Unit** |  |  | $300 |
| **Variable Expenses per Unit** |  |  |  |
| Costs of Goods Sold |  |  |  |
| Materials | $23.11 |  |  |
| Labor | 49.50 |  |  |
| Total Cost of Goods Sold |  | $72.61 |  |
| Other Variable Expenses |  |  |  |
| Commission | $0.00 |  |  |
| Packaging | 0.00 |  |  |
| Other |  |  |  |
| Total Other Variable Expenses |  | $ 0.00 |  |
| Total Variable Expenses |  |  | $0.00 |
| **Contribution Margin per Unit** |  |  | **$227.39** |

**4.4 Delivery of Service (delete one)**

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| --- | --- | --- |
| Description of Step | Time | Cost |
| 1. Consulting with parent of child that is planning to have the birthday party. Setting up the time and day. | 15mins | $2.06 |
| 1. Setting up for the party | 30mins | $4.13 |
| 1. Having the party | 2hrs | $16.50 |
| 1. Cleaning up the party | 30mins | $4.13 |

**4.5 Fixed Expenses for One Month**

|  |  |  |
| --- | --- | --- |
| Expense Type | Monthly Cost | Explanation |
| Insurance | $1,800 | This is a service business dealing with children so I will need to be insured |
| Salary | $16.50 | My employees will be paid a hourly wage |
| Advertising | $5.00 | I will advertise by my direct store front, word of mouth from satisfied customers, and the internet. |
| Interest | $0.00 |  |
| Depreciation | $70.25 | My spa equipment will last longer than one month |
| Utilities | $310 | I will need electricity to power the equipment, cell phone, and internet. |
| Rent | $1,400/m | Renting a space to hold the birthday parties |
| Other Fixed Expenses | $0.00 | Do not have other fixed expensive. |
| **Total Fixed Expenses** | **$3601.75** |  |

**4.6 Income Statement for First Year of Operations**

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| --- | --- | --- | --- |
| **REVENUE** |  |  | $104,400 |
| Gross Sales | $104,400 |  |  |
| Sales Returns | 0.00 |  |  |
| Net Sales |  |  | $104,400 |
| **VARIABLE EXPENSES** |  |  |  |
| Costs of Goods Sold |  |  |  |
| Materials | $8042.28 |  |  |
| Labor | 17,226 |  |  |
| Total Cost of Goods Sold |  | $25,268.28 |  |
| Other Variable Expenses |  |  |  |
| Commission | $0.00 |  |  |
| Packaging | 0.00 |  |  |
| Other | 0.00 |  |  |
| Total Other Variable Expenses |  | $0.00 |  |
| Total Variable Expenses |  |  | $25,268.28 |
|  |  |  |  |
| **CONTRIBUTION MARGIN** |  |  | $79131.72 |
|  |  |  |  |
| **FIXED OPERATING EXPENSES** |  |  |  |
| Insurance | $1,800 |  |  |
| Salaries | 16.50 |  |  |
| Advertising | 5.00 |  |  |
| Interest | 0.00 |  |  |
| Depreciation | 70.25 |  |  |
| Utilities | 310 |  |  |
| Rent | 1,400 |  |  |
| Other fixed expenses | 0.00 |  |  |
| Total Expenses |  |  | $43,221 |
|  |  |  |  |
| **PRE-TAX PROFIT** |  |  | $35,910.72 |
| Taxes (15%) |  |  | 5386.60 |
|  |  |  |  |
| **NET PROFIT** |  |  | **$30,524.14** |

**4.7 Startup Investment**

|  |  |  |  |
| --- | --- | --- | --- |
| Item | Why Needed | Vendor | Cost |
| Two styling station salon packages | To do the little girls hair, hold needed materials | www.salonequipmentpackages.net | $1,899.00 |
| Manicure & Pedicure Packages | To do the girls nails and feet | www.salonequipment.net | 1,960.00 |
| Colored Hand Towels | To dry | www.towelhub.com | 11.99 |
| Towel Sterilizer | Clean towels after use | www.fancbeauty.com | 129.00 |
| Combs and Brushes | Style the hair | www.salonequiptment.com | .44 |
| Laptop/Cell Phone | Business Records | Already Own | Already Own |
| Paperwork for LLC | Business Form | Town hall | 320.00 |
| Rental Space | Place to have the spa | www.loopnet.com | 1,400.00 |
| **Total Startup Expenditures** | | | **$5,720.43** |
| Emergency Fund *(1/2 of startup expenditures)* | | | $2,860.22 |
| Reserve for Fixed Expenses *(covers 3 months of fixed expenses)* | | | $10,805.25 |
| **Total Startup Investment** | | | **$19,385.9** |

**4.8 Financial Ratios**

*Return on Sales (ROS):*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Annual Net Profit |  | $**30,524.14** | = | **.2923%** | ≈ | **$29.23** |
| Total Annual Sales | $104,400 |

*Return on Investment (ROI):*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Annual Net Profit |  | $**30,524.14** | = | **1.57%** | ≈ | **$157** |
| Total Startup Investment | $19,385.90 |

*Breakeven Units (Monthly)*:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Fixed Monthly Expenses |  | $3601.75 | = | **15.83** | ≈ | **16 units** |
| Contribution Margin | $227.39 |