

# MIT ARAB FORUM ENTERPRISE (LEBANON)

## EXPANDED VERSION SERVICE Template for First Stage of the Business Plan Competition

General Note: We expect all submissions to reflect proper human values of the 21<sup>st</sup> century; more specifically, there should be no discrimination of gender, race or religion, and the projects should be environmentally neutral, meaning not contributing to world pollution

I Background Information (not part of the evaluation process)

1) Proposed Name of your company (1 line)

### FAST CUT SAL

2) Where will your company be headquartered (city/country)? (1 line)

**Riyadh, KSA**

II Template of Business Plan Data

3) For each team member, please provide:

Member No 1

- a. Name: **Ziad Aboul Abd**
- b. Academic Background (3 lines max): **Public High School, Riyadh**
- c. Professional Background (3 lines max): **Barber at Cool Men's Saloon, based in Riyadh, 2001 to date**
- d. Current Occupation: **Senior Barber, same place**
- e. Other information you feel is important (2 lines max): **I have developed a technique to cut and trim men's hair in 8-9 minutes instead of the usual 30 minutes**

Member No 2

- a. Name
- b. Academic Background (3 lines max)
- c. Professional Background (3 lines max)
- d. Current Occupation
- e. Other information you feel is important (2 lines max)

# MIT ARAB FORUM ENTERPRISE (LEBANON)

Member No 3

- a. Name
- b. Academic Background (3 lines max)
- c. Professional Background (3 lines max)
- d. Current Occupation
- e. Other information you feel is important (2 lines max)

Note: Teams must comprise a minimum of three full time members

- 4) Please explain what your company will be doing (product/service).  
(up to ten lines max)

**Our company will open a very small store in shopping Mall ABZ in Riyadh, right next to the men's lavatories; we will offer men hair cuts at \$5, instead of the typical \$20 charged elsewhere; we will be open 18 hours a day**

- 5) Who are your target clients? Be specific in your answers (up to 12 lines )

**Our tarhet clients are men aged between 35 and 65, who work as employees in private or public sector companies, and do not have much disposable income**

- 6) What is your geographical target market? (up to 6 lines )

**After opening at the Riyadh ABZ mall, we plan to open a total of 30 similar places in all large KSA cities; suitable locations are shopping malls, bus terminals and railway stations. We will cover the 6 largest cities in KSA**

- 7) What is your estimate of the size of the market, expressed in dollar terms? (up to 4 lines )

**We believe KSA men cut their hair about 40 million times per year; at \$20 per cut, this market is worth \$800 million**

- 8) What is your estimate of the annual growth of that market? (1 line)

**Probably 2-3% a year in line with the annual increase of male polulation**

- 9) What percentage share of that market do you plan to capture in the first 5 years of operations? ( 1 line)

**We believe we can penetrate 5 % of the market in 5 years.**

## MIT ARAB FORUM ENTERPRISE (LEBANON)

- 10) What will the dollar value of your sales be, after 5 years of operations, based on your answer to question 8? (1 line)

**40 million US dollars**

- 11) Who are your competitors in your markets? (up to 12 lines )

**Regular barber shops in their own stores; barber shops in luxury hotels; barber shops in airports; high end beauty salons for men**

- 12) What advantages do you believe your target clients will perceive in your product / service when they compare to the competition? (up to 12 lines)

**We are offering men the chance to have their hair cut with decent style in one third of the time and one quarter of the price they normally pay, 8 to 12 times a year, depending on their habits; they will be able to do so while their wife is shopping, without requiring her to wait for them; or they will do it in a few minutes while waiting for their bus or train. In short, we are offering time, money and location convenience**

- 13) How long (in number of months) do you believe you can maintain your advantage over the competition until they match your product / service? (up to 6 lines)

**Copying our hair cutting techniques and adopting our special instruments is quite easy; but barbers are usually individuals who own a single store and have no ambition to expand via franchise or otherwise; so competition is likely to come from Western saloon chains who might see an opportunity in KSA, if we are successful;**

- 14) What is the total amount of funds you require to setup, broken down by category here below? (This means the amount of money from the time you start until you realize your first commercial sale).

a. Equipment / machinery / fixed investment

**\$45,000 to decorate / equip our first salon**

b. Running costs Salaries, rent, utilities etc..)

**About \$15,000 to hire and train a crew of 6 employees (2 per 9 hour shift), plus two for expansion**

c. Inventories, if any.

**\$1,200 of cosmetic products**

d. Marketing expense.

**\$5,000; we will rely on the pass through shopping mall traffic to grab customers, plus suitably located billboards in the mall**

## MIT ARAB FORUM ENTERPRISE (LEBANON)

15) How many months do you estimate you might require from the time you start until the time you generate your first sale? (1 line)

**Less than 3 months**

16) How many months do you estimate you might require from the time you generate your first sale until the time your company breaks even? (6 line)

**We pay about \$2.50 an hour, and expect to run 4 cuts per hour. On that basis, we should have a gross margin of \$200 a day, and break even within 3 months**

17) What are the major risks working against you, and how do you plan to mitigate them? (8 lines max)

**We rely on Indian subcontinent unskilled labor to be trained by us to become barbers; should KSA restrict the ability of such workers to enter our country or work in it, then our costs could rise considerably and negate the concept. Given the current shortage of laborers in KSA, we believe this risk is very small**

18) Free - Anything else you want us to know. (9 lines max)

**My other two partners are currently working as barbers also; I will start the first salon; if successful, each one will resign and open a similar one so that we have 3 saloons running in short order**