



BADM 655

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# SnapCuts

Cut&Go

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## **Part One: Business Description:**

Women are not by any means the only ones who need professional hair care service - men need to look great, as well. In this way, there is great interest for barbershops that emphasis on male demographic. Providing hair care services that meets the desired look of people has become vital in today's society. Hair salon services and products are important to running barbershop business. Whether you own a barbershop or planning to open one, it's critical to know how the industry currently operates and where the market trend is going. Finding out about the general business, alongside composing a marketable strategy that incorporates this knowledge, offer you some assistance with determining whether or not the beauty industry is the right business for you.

SnapCuts will be a mobile barber shop unlike a traditional barber shop in which customers will have to be inconvenienced from their everyday schedules in order to get a haircut. The purpose of this business is to provide efficient and convenient haircut solutions to the customers at various popular areas in Houston. With this service of mobile barber shop there will be lots of time saved both for the customers and the business as well. The company SnapCuts will also save costs by using the resources of the mobile shop only when needed.

In Houston there are more than 80,000 barber facilities that help the customers to fulfill their beauty needs (Sbdcnet.org, 2015). But because of their physical existence at a certain place these barber shops are sometimes out of the way for customers and this makes the customers feel inconvenienced. However, the innovative idea of SnapCuts pertains to the idea of time and cost saving by allowing customers to book their appointments during a time that not only fits their schedule but also blends within their everyday activities. The experience will allow the customers to receive a haircut in an area that they would have already been there for necessary reasons such as working, shopping, etc.

Initially there will be one automobile having two barber seats with complete haircut solutions for the customers. This mobile will offer the following services to its customers at one of our 3 populous locations:

- Haircut
- Trimming
- Shaving
- Shampooing

A team of three persons will be there in the mobile shop to assist the customers. Two of them will be barbers and one will be the operations manager to look after the daily routine activities of the business. These professionally qualified persons will be handling all the above mentioned activities for customers. The purpose is to make sure that all the customer requirements related to a barber shop are met with 100% customer satisfaction guaranteed.

There will be an investment of \$120,000 but because of state law, we cannot park our commercial truck overnight s in residential area. As a solution, we have reached out to Platinum Parking, a parking facility on monthly rent to park the truck on a safe place with amount of \$79

at 1110 Preston St. Houston, TX. The details of this rent will be discussed in the financial section of the report.

Office of SnapCuts will be located at 5445 Alameda Road - John B. Coleman Building, the zip code of the area is 77004 and the monthly rent will be \$1,800 per month. The purpose of using a commercial office is that this would be a registered business and SnapCuts will be registered as a Limited Liability Company (LLC). So in order to fulfill legal formalities it is required to have a commercial office for any registered company.

The truck will be parked and operated at three different locations. First one, it will be available at the university of Houston/Texas southern university and the spot that we decided will be at the University of Houston Calhoun Plaza. Second location will be near the Galleria mall area, which is the most crowded congested by the people who go to shop or sit at the coffee shops in Westheimer & Post Oak Blvd. The last location that our truck will take a place in will be at the rice village district that has an outdoor shopping mall and a variety of the outdoor activities. The people of the rice village community are usually walking by, jogging/exercising around the area. Also, rice village has the most and popular university in the neighborhood. These reasons convince us to place our truck in these locations due to the height of presence of the people we need to target.

The hair care industry profits are additionally anticipated that would see hike which could urge all the newer organizations to enter the business. Profits have increased from 1.9% in 2009 to 5.7% in 2014. Increase in profits are because of expanded offers of higher-value products which have bigger net revenues. Enhancing economic situations keep on expanding the quantity of hair care industry services at a normal yearly rate of 5.5%, coming to 1.3 million services by 2019 (Sbdcnet.org, 2015).

#### ***Future Prospects:***

SnapCuts is planning to offer its services for women within a year. With increasing consumer demand, there will be an addition to our mobile salon fleet, which will be allocated to different parts of the city. It is expected that after one year, SnapCuts will offer exclusive mobile barber shop for women as well.

#### ***Social Responsibility:***

The SnapCuts mobile barber shop will also be involved in various social activities. One of the most recommended social activity, the company will be involved in, is to give hair donations to various cancer hospitals in Houston, Texas. Cancer patients lose their hair during cancer treatments and some are left in emotional distress. SnapCuts has vowed to donate eligible hairs to such patients to help contribute to their treatment as much as possible. Houston has the best medical hospitals specifically for cancer. SnapCuts will be providing hair donations to the following hospitals of the city.

- MD Anderson Cancer Center
- Texas Children's Cancer and Hematology Center
- American Cancer Society

- The Methodist Hospital-Cancer Center
- Memorial Hermann Center

***Logo of SnapCuts:***

Following will be the logo of our company.



This logo is a complete representation of our business. The scissor and the hair brush clearly shows that it's a logo of a barber shop. The handle of the scissor has been associated to the wheels of the truck to show that this truck is the most important part of this business because all of the activities will be carried out in this truck.

***Legal Form of Business:***

The best suited legal form of business for SnapCuts will be a Limited Liability Company (LLC). The reason for this is that LLC is a form of business that provides a tax advantage like sole proprietorship and partnership as well as it provides the limited liability like a corporation (Hillman and Loewenstein). The owners of LLC are taxed as individuals and corporation are not taxed which saves a good amount of money. In addition to this, the owners and investors of the company are protected from personal liability in case of liquidation.

LLC is best suited for those kind of business which have limited investment and are concerned about the personal exposure to lawsuits or debts. Ruining LLC gives the protection to the personal property of owners and they are not responsible for any loss. Any business requires registered name, license according to state rules and regulations. The Texas Department of Licensing and Regulation (TDLR) is the body which registers barber shops and issues licenses. (Gaspar et al.). SnapCuts will take a form of LLC to protect its owners' personal property, tax reasons, and because business will be done only in the state of Texas.

## **Part Two: Market Segment:**

Given the nature of our business, we decided to cater our market information to a mobile business structure. We will have multiple target audiences within each of our different locations. With our primary and secondary research, we have narrowed down our locations to three positions within the city of Houston, Texas: Texas Southern University/University of Houston as one general location, West University Place/Rice Village and Galleria/Uptown Area. We initially relied on our secondary research to choose these locations; we wanted to target a familiar area to us, thus TSU & UH as well as populous areas within Houston that has a population above 10,000, an area that draws in everyday consumers, as well as new comers, and an area that has not yet been captivated by any of our competitors. Our secondary research disclosed that TSU (9,646) & UH (40,914) has a combined population of 50,560 students; West University/Rice Village with a population of 15,604 and the Galleria/Uptown with a population of approximately 65,000.

Our target consumer at TSU will be African/Black (86%) and Hispanic (5%) male students (57%) from the age of 18-29. Our target consumer at UH will be White (29%), Hispanic (29.5) and Asian (21.1%) male Students (50%) from the ages 18-29. Our target consumer in the Galleria/Uptown area will be Caucasian (71.8%) and African/Black (7.73) upper-middle class men with the incomes of 60k-150k. Our Target consumer at West University Place/ West Village will primarily be Caucasian men (97.8%) with income ranging from 70k-170k. After obtaining our three primary locations, we went a step further and administered surveys in each of the desired areas. The purpose of the survey was to find an unbiased pool of individuals within the area that will help us get an idea on which days would be best to set up our business in the area for two days out of the week, their issues with their current salon, whether or not they would receive a haircut at a mobile salon, etc.

Our primary research allowed us to see that 67% of individuals at West University Place/Rice Village, 72% individuals at UH/TSU, and 66.7% in the Galleria/Uptown area said they would get a haircut at a mobile salon. 71% of the people in the Galleria/Uptown area said that Saturday would be the best day to get their haircut, with Thursday following for 24.57%. 67% of the people at TSU said Thursday would be the best day to get a haircut, with Tuesday following for 23%. 62% of the people at UH said that Saturday would be the best day to get a haircut, with 22% leaning towards Wednesday. When we looked at the survey of UH students that lived on campus, 63% said Friday would be the best day to get a haircut, and 15% said Wednesday. Our surveys for Rice Village/ West University Place displayed that 42% felt that Thursday would be the best day to get a haircut, with Monday following at 18%. After analyzing our primary research, we figured that our current schedule is to station our Snap Cuts bus in the Galleria/Uptown area on Saturday and Friday, will be on the campus of UH/TSU Thursday and Wednesday, and at Rice Village/West University Place area on Monday and Tuesdays. We will conduct surveys frequently throughout the year from our customers and from external

locations to see if any other populous areas in Houston will be better suited for our business, customers will be reminded and updated of our location through our social media accounts.

Going back to our secondary research, we found out that we had four competitors that are relatively in the Houston Areas: Hair and There Mobile Salon in Katy; MM Cuts in Houston; Salons on the Go, located in the out skirts of Houston; Styles 4 revenue located in Houston. The strengths of our competitors is that they do not overlap one another in their locations of operation, besides Styles 4 Revenue, which will come to any requested location. We will analyze each competitor for their strengths and weakness to better see the dichotomy between SnapCuts and our competition.

### ***Competitors:***

#### **Hair & There Mobile Salon**

Strengths:

A very unique design and they're the only mobile salon in Katy, TX.

Weakness:

Hair & There mobile Salon's main weakness is that their business is predominantly stationed at their home. There isn't anything major that separates their entity from a salon that their potential customers are already attending. The only attraction they have is that it's a mobile salon that isn't very mobile. If they were to utilize their mobility, it would cost the customer \$100 moving fee as well as \$1/mile if the location is 15 miles from her home.

#### **MM Cuts**

Strengths:

Has extreme mobility when compared to all of its current competitors. MM Cuts is always on the go and able to leave and switch locations given a slow business day. MM Cuts does not have to worry about parking leases with certain establishments.

Weakness:

There is no consistency with the scheduling of the truck's location or how the entity acquires their business, which makes it hard to meet customer needs. The owner drives around to populous locations physically approaching individuals in populous areas, inquiring if they would like a haircut or not.

#### **Salons on the Go**

Strengths:

Salons on the go has a strong women presence; most of their services, if not all are catered towards women. They offer services for wedding and prom parties, unlike their other competitors.

**Weakness:**

Charging customers a dollar per mile on top of their haircut. Not a strong following, only 128 people liked on their Facebook page with 18 saying that they attended.

**Styles 4 Revenue**

**Strengths:**

Offers more of a traditional salon services such as skin care &make up application, Manicure art, and even mobile hair salon development for those interested in starting their own business (Not a franchise agreement.) They also sale beauty products within their mobile salon.

**Weakness:**

Styles 4 Revenue has a very bland and old mobile salon, and there is not much renovation that has been done inside of the mobile van. Services are catered towards women and children, excluding men.

**SnapCuts**

**Strengths:**

One of our noticeable strengths is our prices, we will be charging \$20 for men haircuts and \$10 for beard trimming. Some of our competitors do not offer services for men, but for the one's that does, they charge anywhere from \$30-\$60. Another strength of ours is our ability to utilize the fact that our business is mobile and targeting selected areas in the heart of Houston for a given period of time. Most of competitors are located in the outskirts of Houston, with only MM cuts in the heart of the city, with no sense of location for their customers. Our services are unique compared to our competitors in the sense that we have structured our business to flow with our customer's everyday life. We strive for convenience, for our target audience that has to go to classes, we have made our services available for them and their busy schedule, for our target audience that needs to do grocery shopping or frolic in the west place/rice village area, we have made our business to cater their necessary motions. Our services are also unique when it come to the process of getting a haircut with us, we have made it an interactive experience with the customer and the barber/stylist both before and after the customer receives their haircut with our Snap Cuts mobile application.

**Weakness:**

As of now, our main weakness is that our current bus will not have services that caters towards women. Women make up a significant section of the market and this will exclude us from certain revenues. However, this is temporary because we will have a second bus in the upcoming years that will cater towards women.



## **Part Three: General Operations:**

### **a. Sales Operation:**

SnapCuts will have a sales plan to reach its potential customers that the marketing plan is going to target. The management team will create different types of sales transactions like cash, credit and application account that could be consumed by different clients. Additionally, the team will establish a promotional program such as referral discounts and memberships that are offered for frequent and long-time clients. SnapCuts' sales plan will study existing customer records to explore the possibility of further business opportunities. Furthermore, there will be a website beside the application to schedule online appointments and to have advertisements for beauty products companies. For SnapCuts' application, it will be customized like Uber concept to reserve the service and pay earlier. Once customers download the app, they will be asked to sign up and fill their information including the payment method.

### **b. Advertising Operation:**

SnapCuts will use different advertising channels to reach as many of our target clients as possible. Driving the customized truck to the attractive areas will be one way to advertise the business. The truck will be customized by printing the logo over the truck with a signature color. Besides, social media will be used to reach more clients by posting the locations and offers. Also, our application that our customers and stylist use to interact with one another will also serve as a platform for beauty products companies to advertise.

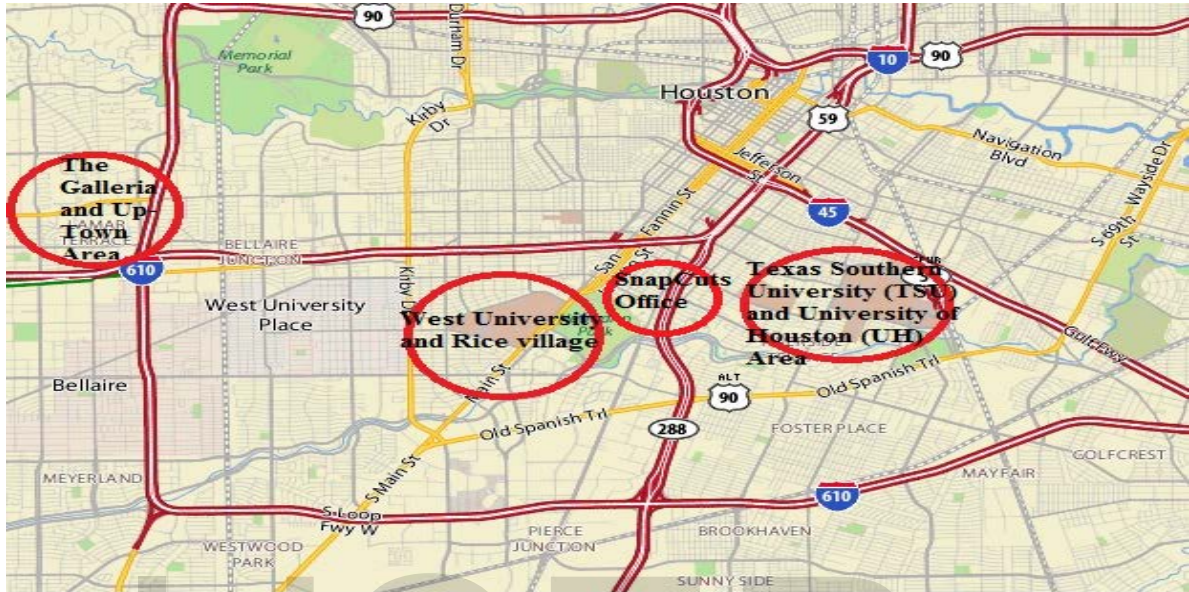
### **c. Locations:**

SnapCuts's Office will be located on 5445 Almeda Road - John B. Coleman Building, Houston, TX 77004 . This location will be the center of the operations and closed to the city center and attractive areas.

Besides, SnapCuts will have multiple locations around the Houston area. Currently, the management team is focusing on three major areas that would have more target customers. They picked these areas carefully and after studying its capacity and people. These area will be as following:

- i. **The Galleria and Up-Town Area:** This area is located just the west of 610 west loop and north 59 highway. It is an attractive place for Houston visitors because of the mall, coffees, shops, and modern building views in Westheimer & Post Oak Blvd.
- ii. **Texas Southern University (TSU) and University of Houston (UH) Area:** This area is located just east south of Houston downtown between major highways I-288 and I-45. It is a good area for SnapCuts because it is collages and students who might be interested to have a quick haircut. The truck will be parked in the UH stadium parking lots that located between TSU and UH.

**iii. West University and Rice village:** This area is located just west of the Texas Medical Center. It is a great opportunity to have the business there because of its location near to the medical center, Rice University, and Rice village. The truck will be parked the center of Rice Village



**d. Operations Hours:**

SnapCuts will be operated six days a week, Monday through Saturday, from 10 AM to 8 PM. Each operational manager will operate the business for two days in total of six days for the three operational managers. The daily schedule will start to drive the truck to the locations and manage the operations by taking clients appointments and payments. Moreover, each manager should maintain the truck clean and convenient for the customers. After 8 PM, truck must be back to the overnight parking with everything checked and ready to start the next day.

Managers	Days	Areas
Operational Manger 1	Friday-Saturday	The Galleria/Uptown
Operational Manger 2	Wednesday-Thursday	TSU/UH
Operational Manger 3	Monday-Tuesday	West University/Rice Village

**e. Management team:**

SnapCuts will be operated with only three employees who are the original owners. They will be hired for as operational mangers for two days each one. Each one will work for around 16 to 20 hours weekly. They are MBA students at Texas Southern University. Each one of them had worked before in different jobs like finance and management. Thus, they have good experiences and knowledge to help them start and manage their business (SnapCuts). This management team will be:

1. Fahad Alqahtani :
  - a. B.A, Finance from University of Missouri-Kansas City.
  - b. Two years of an accountant at Ajil Financial Services Company, Jeddah Saudi Arabia.
  - c. Currently, MBA Student at TSU, Houston.
2. George Oginni:
  - a. B.A. Economics from University of Texas, Dallas.
  - b. Business Advisor at Roal Global Corporation.
  - c. Currently, MBA Student at TSU, Houston.
3. Mohammed Aljasim:
  - a. B.A. Marketing from King Fisal University, Saudi Arabia
  - b. One year of customers services at National Arab Bank
  - c. Currently, MBA Student at TSU, Houston.

**f. Required equipment and facilities :**

SnapCuts management team has discussed the required equipment and facilities and found their business will need the following requirements:

- Customized salon truck
- Equipment (barbers chairs, mirrors and sinks, and the cutting and styling tools of the trade.)
- Fuel and maintenance
- Insurance
- Legal Documents
- Utilities (electrical generator, Water 275 Gallon Food Grade IBC Plastic Container Storage Water Tote Tank 250 300 330)

## **Part Four: Financial Information:**

SnapCuts plans to provide its quality services starting next year 2016. It will be extended for the next five years to reach around 9,400 customers at the end of the fifth year and approximately \$201,500 as revenues. SnapCuts is looking for \$ \$300,000 to cover the start-up cost for the starting and operating expenses of the first year.

### **a. Start-up Costs:**

SnapCuts is seeking \$300,000 to finance the startup costs and operational expenses for the first year. This funds will be planned to come from two sources:

- i. **Personal Funds:** As the owners of the business, we will fund SnapCuts from our personal saving accounts or loan. Each one of us will pay \$60,000 in total of \$180,000.
- ii. **Investors:** SnapCuts will look for investors who will be interested. The required amount should be collected from investors around \$120,000. SnapCuts might expect the number of the investors would increase as a result of the company growth. Thus their contribution funds will increase. SnapCuts will give around 40% of its equity to the investors in order to keep their reinvestments.

The total operating expenses and the development costs are estimated to be \$194,000 and initial cash of \$106,000 as shown in the statement.

### **b. Income Statement:**

This will be the breakup of the SnapCuts's income statement:

- i. **Sales Revenue:** (see Appendix A) SnapCuts will generate its sales revenues from two major sources:
  1. **Customers:** SnapCuts will expect to start with around 24 customers per day and 26 days monthly to reach around 7,800 in the first year. Then, SnapCuts will anticipate an increasing yearly in its customers to reach around 9,400 by the five year. Customers will be expected to pay an average \$30 for the first and second years. \$40 for the third, fourth, and fifth year which would be the target price. SnapCuts will reach an agreement with barbers/stylist in which they will be under an independent contract agreement to receive 40% of services revenues which exclude them from SnapCuts.

Sales	2016	2017	2018	2019	2020
Customers	7800	8000	8500	9000	9400
Prices	\$ 30.00	\$ 30.00	\$ 40.00	\$ 40.00	\$ 40.00
Breakeven point		4,390	5,738	4,650	5,038

2. **SnapCuts application:** Revenue will also be derived from the SnapCuts app, which will be coming from advertisements. Based on the hairstyles that clients select, specified beauty products will be advertised on their screens, we will be

selling advertising space for beauty products, giving them a chance to target their direct consumers. The advertising will be interactive with the customer's experience and will allow the customers to visit the advertiser's website or give the customer suggestions for the type of products that will be good to style their selected hairstyles.

**c. Operational Expenses:**

There will be many expenses as listed below:

- (a) Salaries:** the owners will get paid \$15,000 each for the first year around \$45,000 annually. Then, there will be an increase of salaries to \$20,000 each, around \$60,000 in 2017 and 2018. By 2019, each owner will obtain \$75,000 as an annual salary.
- (b) Rent:** This expense will be paid to rent the truck parking spots in the areas and the office with its overnight parking. This will be estimated to be \$45,000 annually.
- (c) Maintenance:** this will be budgeted around \$6,000 to \$8,000 for maintenance.
- (d) Other expenses:** these expenses include insurance, utilities, and others.

- d. Net profit and profit Margin:** SnapCuts will have a net loss in the first year and will expect an increase in net profit by the second year. Profit margin will be in the first year around -20% and it will increase to be 24% in 2020

**Appendix A: Detailed financial Statements**

**1. Income Statement:**

SnapCuts Income Statement 2016-2020						
	2016	2017	2018	2019	2020	
<b>Revenue</b>						
Sales Revenue:						
SnapCut Sales	\$ 234,000	\$ 240,000	\$ 340,000	\$ 360,000	\$ 376,000	
Application Ads	\$ 24,000	\$ 25,000	\$ 35,000	\$ 35,000	\$ 40,000	
Barbers Shares (40%)	\$ (93,600)	\$ (96,000)	\$ (136,000)	\$ (144,000)	\$ (150,400)	
<b>Net Revenue</b>	<b>\$ 164,400</b>	<b>\$ 169,000</b>	<b>\$ 239,000</b>	<b>\$ 251,000</b>	<b>\$ 265,600</b>	
<b>Expenses:</b>						
Salaries & Wages	\$ 45,000	\$ 60,000	\$ 60,000	\$ 75,000	\$ 75,000	
Rent	\$ 40,000	\$ 50,000	\$ 50,000	\$ 65,000	\$ 65,000	
Maintenance	\$ 6,000	\$ 6,000	\$ 8,000	\$ 8,000	\$ 8,000	
Utilities	\$ 9,000	\$ 9,000	\$ 12,000	\$ 12,000	\$ 12,000	
Depreciation	\$ 8,000	\$ 8,000	\$ 8,000	\$ 15,500	\$ 15,500	
Insurance	\$ 3,700	\$ 3,700	\$ 4,500	\$ 4,500	\$ 6,000	
Equipment	\$ 80,000	\$ -	\$ 75,000	\$ -	\$ -	
Other Expenses	\$ 5,000	\$ 10,000	\$ 12,000	\$ 15,000	\$ 20,000	
<b>Total Expenses</b>	<b>\$ 196,700</b>	<b>\$ 146,700</b>	<b>\$ 229,500</b>	<b>\$ 195,000</b>	<b>\$ 201,500</b>	
<b>Profit</b>	<b>\$ (32,300)</b>	<b>\$ 22,300</b>	<b>\$ 9,500</b>	<b>\$ 56,000</b>	<b>\$ 64,100</b>	
	-20%	13%	4%	22%	24%	

**2. Sales Budget 2016:**

SnapCuts Sales Budget 2016													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
<b>Revenues :</b>													
<b>Sales</b>													
Customers	400	450	550	550	650	720	750	800	780	750	700	700	7800
Prices	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00
<b>Total Sales</b>	<b>\$12,000.00</b>	<b>\$13,500.00</b>	<b>\$ 16,500.00</b>	<b>\$ 16,500.00</b>	<b>\$ 19,500.00</b>	<b>\$ 21,600.00</b>	<b>\$ 22,500.00</b>	<b>\$ 24,000.00</b>	<b>\$ 23,400.00</b>	<b>\$ 22,500.00</b>	<b>\$ 21,000.00</b>	<b>\$ 21,000.00</b>	<b>\$ 234,000.00</b>
Cash Sales	\$ 3,000.00	\$ 3,375.00	\$ 4,125.00	\$ 4,125.00	\$ 4,875.00	\$ 5,400.00	\$ 5,625.00	\$ 6,000.00	\$ 5,850.00	\$ 5,625.00	\$ 5,250.00	\$ 5,250.00	\$ 58,500.00
Credit Sales	\$ 9,000.00	\$10,125.00	\$ 12,375.00	\$ 12,375.00	\$ 14,625.00	\$ 16,200.00	\$ 16,875.00	\$ 18,000.00	\$ 17,550.00	\$ 16,875.00	\$ 15,750.00	\$ 15,750.00	\$ 175,500.00
Barbers Shares (30%)	\$ (4,800.00)	\$ (5,400.00)	\$ (6,600.00)	\$ (6,600.00)	\$ (7,800.00)	\$ (8,640.00)	\$ (9,000.00)	\$ (9,600.00)	\$ (9,360.00)	\$ (9,000.00)	\$ (8,400.00)	\$ (8,400.00)	\$ (93,600.00)
<b>Advertising Sales</b>													
App Ads	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 24,000.00
<b>Total Revenue</b>	<b>\$ 9,200.00</b>	<b>\$10,100.00</b>	<b>\$ 11,900.00</b>	<b>\$ 11,900.00</b>	<b>\$ 13,700.00</b>	<b>\$ 14,960.00</b>	<b>\$ 15,500.00</b>	<b>\$ 16,400.00</b>	<b>\$ 16,040.00</b>	<b>\$ 15,500.00</b>	<b>\$ 14,600.00</b>	<b>\$ 14,600.00</b>	<b>\$ 164,400.00</b>

### 3. Cash Flow Statement:

<b>SnapCuts</b>					
<b>Cash Flow Statement</b>					
	2016	2017	2018	2019	2020
<b>Cash From operation activities:</b>					
Net Income :	\$ (32,300.00)	\$ 22,300.00	\$ 9,500.00	\$ 56,000.00	\$ 64,100.00
Depreciation	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 15,500.00	\$ 15,500.00
<b>Net Cash from Operation Activities:</b>	<b>\$ (24,300.00)</b>	<b>\$ 30,300.00</b>	<b>\$ 17,500.00</b>	<b>\$ 71,500.00</b>	<b>\$ 79,600.00</b>
<b>Cash From Investing activities:</b>					
Purchase of Equipment	\$ (80,000.00)		\$ (75,000.00)		
<b>Net Cash from Operation Activities:</b>	<b>\$ (80,000.00)</b>	<b>\$ -</b>	<b>\$ (75,000.00)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Cash from Financing Activities:</b>					
Payment of Dividends	\$ -	\$ (8,920.00)	\$ (3,800.00)	\$ (22,400.00)	\$ (25,640.00)
<b>Net Cash from Financing Activities:</b>	<b>\$ -</b>	<b>\$ (8,920.00)</b>	<b>\$ (3,800.00)</b>	<b>\$ (22,400.00)</b>	<b>\$ (25,640.00)</b>
<b>Net Cash flow :</b>	<b>\$ (104,300.00)</b>	<b>\$ 30,300.00</b>	<b>\$ (57,500.00)</b>	<b>\$ 71,500.00</b>	<b>\$ 79,600.00</b>
<b>Beginning Cash Balance:</b>	<b>\$ 106,000.00</b>	<b>\$ 1,700.00</b>	<b>\$ 32,000.00</b>	<b>\$ (25,500.00)</b>	<b>\$ 46,000.00</b>
<b>Ending Cash Balance :</b>	<b>\$ 1,700.00</b>	<b>\$ 32,000.00</b>	<b>\$ (25,500.00)</b>	<b>\$ 46,000.00</b>	<b>\$ 125,600.00</b>

### 4. Balance Sheet:

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<b>SnapCuts</b>					
<b>Balalnce Sheet</b>					
	2016	2017	2018	2019	2020
<b>Current Assets :</b>					
Cash	\$ 1,700.00	\$ 32,000.00	\$ (25,500.00)	\$ 46,000.00	\$ 125,600.00
Account Recivable	\$ 28,500.00	\$ 23,300.00	\$ 42,108.00	\$ 40,000.00	\$ 25,000.00
Inventory	\$ 36,500.00	\$ 26,000.00	\$ 60,200.00	\$ 26,000.00	\$ 12,500.00
<b>Total Current Assets:</b>	<b>\$ 66,700.00</b>	<b>\$ 81,300.00</b>	<b>\$ 76,808.00</b>	<b>\$ 112,000.00</b>	<b>\$ 163,100.00</b>
<b>Fixed Assets:</b>					
Equipment	\$ 80,000.00	\$ 95,000.00	\$ 174,800.00	\$ 185,000.00	\$ 200,000.00
Accumulated Depreciation	\$ (8,000.00)	\$ (9,500.00)	\$ (17,480.00)	\$ (18,500.00)	\$ (20,000.00)
<b>Total Fixed Assets:</b>	<b>\$ 72,000.00</b>	<b>\$ 85,500.00</b>	<b>\$ 157,320.00</b>	<b>\$ 166,500.00</b>	<b>\$ 180,000.00</b>
<b>Total Assets:</b>	<b>\$ 138,700.00</b>	<b>\$ 166,800.00</b>	<b>\$ 234,128.00</b>	<b>\$ 278,500.00</b>	<b>\$ 343,100.00</b>
<b>Current liabilities :</b>					
Account Payable	\$ 8,000.00	\$ 15,720.00	\$ 5,348.00	\$ 13,120.00	\$ 21,500.00
Other Liabilities	\$ 3,000.00	\$ 10,000.00	\$ 7,000.00	\$ 10,000.00	\$ 27,760.00
<b>Total Current liabilities:</b>	<b>\$ 11,000.00</b>	<b>\$ 25,720.00</b>	<b>\$ 12,348.00</b>	<b>\$ 23,120.00</b>	<b>\$ 49,260.00</b>
<b>Total liabilities:</b>	<b>\$ 11,000.00</b>	<b>\$ 25,720.00</b>	<b>\$ 12,348.00</b>	<b>\$ 23,120.00</b>	<b>\$ 49,260.00</b>
<b>Equity</b>					
Paid-in-Capital	\$ 160,000.00	\$ 160,000.00	\$ 235,000.00	\$ 235,000.00	\$ 235,000.00
Retained Earning	\$ (32,300.00)	\$ (18,920.00)	\$ (13,220.00)	\$ 20,380.00	\$ 58,840.00
<b>Total Equity:</b>	<b>\$ 127,700.00</b>	<b>\$ 141,080.00</b>	<b>\$ 221,780.00</b>	<b>\$ 255,380.00</b>	<b>\$ 293,840.00</b>
<b>Total liabilities &amp; Equity</b>	<b>\$ 138,700.00</b>	<b>\$ 166,800.00</b>	<b>\$ 234,128.00</b>	<b>\$ 278,500.00</b>	<b>\$ 343,100.00</b>

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