
9-Section Salon Business Plan Template

The exact template I used to open JScott Salon — and the same one I hand every salon owner I coach.

What's inside:

- Section 1: Executive Summary
- Section 2: Services & Pricing
- Section 3: Target Client Profile
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- Section 5: Staffing Model
- Section 6: Startup Costs
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- Section 8: 12-Month Revenue Forecast
- Section 9: Break-Even Calculator

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How to Use This Template

This template mirrors the business plan I used to open JScott Salon and the same nine sections I walk every coaching client through. Fill in each section in order — Section 9 (Break-Even) will make more sense once you have the numbers from Sections 6 and 7.

1. Print or fill digitally

Print and handwrite your numbers, or type directly into the PDF or a copied Google Doc. Either works.

2. Use real numbers

Leave no field blank. A '?' in your plan is a gap in your thinking. Research the market rate, call the landlord, price out the insurance.

3. Section 9 last

Complete Sections 6 and 7 first. The break-even formula needs those numbers. Do not guess.

4. Bank version vs operating version

For SBA or bank submission, expand Section 1 and add a market research addendum. For your own use, this 9-section version is enough.

5. Revisit quarterly

Your plan is not a document you write once. Update the revenue forecast and break-even number every quarter.

Scott's tip: The single most important number in this entire template is your rent-to-revenue ratio (Section 7). If that number is above 15%, fix the lease before you fill in anything else.

01 Executive Summary

Write this last. One page. Make every sentence earn its space.

The executive summary is the first thing a lender reads. It should answer three questions: What is this business? Why will it succeed? What does it need? Keep it to one page.

Business name	Legal name or DBA
Business structure	LLC / Sole prop / S-Corp
Owner name(s)	
Location (city/state)	
Target opening date	
Total startup capital needed	\$
Source of funding	Personal savings / SBA loan / investor
Break-even (clients/month)	From Section 9
Monthly revenue target (yr 1)	\$

One-sentence pitch (what you do, for whom, why they choose you):

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Why this salon will succeed (3 sentences max):

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02 Services & Pricing

Use the 3-number check: cost to deliver + profit margin + market rate.

List your core service menu. For each service, confirm the price covers your cost (product + time), delivers your target margin, and is defensible in your market.

Service	Price (\$)	Time (min)	Product cost (\$)	Margin (%)

Average service ticket (\$)	<i>= total monthly revenue ÷ total monthly clients</i>	Target: \$75–\$110
Target gross margin (%)	<i>= (price – product cost) ÷ price × 100</i>	Target: 65–80%

03 Target Client Profile

Specific beats broad. 'Women 35-55 in zip 34285 spending \$120+/visit' beats 'everyone'.

Primary client (age range)	
Gender skew	
Household income bracket	
Geographic target (zip codes)	
Services they want most	
How they find new salons	Google / referral / IG / walk-in
What they hate about current salon	
Why they'll switch to you	
Average visits per year	Industry avg: 6-8
Avg spend per visit (\$)	\$
Client LTV (12 months) (\$)	$= \text{avg visits/yr} \times \text{avg spend}$

Use the free Client Lifetime Value Calculator at hairsalonpro.com/salon-client-lifetime-value-calculator/ to model referral compound value.

04 Location & Lease Analysis

Rent above 15% of revenue means you cannot profit at any utilization level.

Address / neighbourhood		
Square footage	sq ft	
Monthly base rent (\$)	\$	
CAM / NNN charges (\$)	Common area maintenance	
Total monthly occupancy cost (\$)	= rent + CAM + utilities est.	
Lease term (years)		
Personal guarantee required?	Yes / No	
Free rent period (months)		
Build-out allowance (\$)	\$ (landlord contribution)	
Nearest competitor (distance)		
Rent-to-revenue ratio (%)	$= \text{monthly rent} \div \text{target monthly revenue} \times 100$	Must be $\leq 15\%$

Hard rule: If rent-to-revenue is above 15%, renegotiate the lease or find a different location before you open. This number cannot be fixed after you sign.

05 Staffing Model

Commission works above \$6K/month per chair. Below that, booth rent is safer.

Total chairs / stations		
Owner-operator chair?	Yes / No	
Booth renters (# chairs)		
Booth rent per chair (\$/mo)	\$	
Commission stylists (# chairs)		
Commission % offered	45–50% standard	
Front desk / receptionist?	Yes / No / Part-time	
Total W-2 payroll est. (\$/mo)	\$	
Total 1099 / booth rent (\$/mo)	\$	
Payroll-to-revenue ratio (%)	$= \text{total payroll} \div \text{monthly revenue} \times 100$	Target: $\leq 35\%$

Use the free Booth Rent vs Commission Calculator at hairsalonpro.com/booth-rent-vs-commission-calculator/ to model which structure is more profitable at your revenue level.

06 Startup Costs

Real number, not the dream number. Add 20% to every contractor estimate.

Cost item	Estimated (\$)	Actual (\$)	Notes
Build-out / renovation			
Salon equipment (chairs, dryers, sinks)			
Furniture & fixtures			
Signage (exterior + interior)			
Technology (POS, booking software)			
Opening product inventory			
Business licenses & permits			
Insurance (first 3 months)			
Legal / LLC formation			
Website & marketing setup			
Deposits (rent, utilities)			
Operating cushion (3 months fixed)			← most important line
Miscellaneous (10% buffer)			
TOTAL STARTUP CAPITAL NEEDED			

07 Monthly Operating Expenses

Every line item as a % of revenue. Benchmarks in the Notes column.

Expense	Monthly (\$)	% of Revenue	Benchmark
Rent + CAM			≤ 15%
Utilities (electric, water, gas)			2–4%
Owner salary / draw			Include as fixed line
Payroll (W-2 staff)			≤ 35% total payroll
Booth rent collected (offset)			Reduces net payroll cost
Product / retail inventory			5–8%
Booking & POS software			\$100–\$300/mo
Marketing & advertising			3–5%
Insurance (liability, property)			\$200–\$600/mo
Loan payment (if applicable)			
Professional services (CPA, legal)			1–2%
Continuing education			\$50–\$200/mo
Miscellaneous / contingency			2–3%
TOTAL MONTHLY EXPENSES			

08 12-Month Revenue Forecast

Build from chair capacity, not hope. Ramp slowly in months 1–3.

# revenue-producing chairs	
Avg clients per chair per day	New salon: start at 3–4
Avg service ticket (\$)	From Section 2
Operating days per month	Typically 26
Retail sales % of service revenue	Target: 10–15%
Monthly service revenue (\$)	<i>= chairs x clients/day x ticket x days</i>

Month	Utilization %	Clients/day	Service Rev (\$)	Retail (\$)	Total Rev (\$)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
YEAR 1 TOTAL					

09 Break-Even Calculator

The most important number in your plan. Circle this before you sign the lease.

Break-even is the minimum monthly revenue where you cover all costs and pay yourself. Every dollar above break-even is profit.

Step 1 — Enter your fixed costs (from Section 7):

Monthly rent + CAM (\$)	\$
Owner salary / draw (\$)	\$
Insurance (\$)	\$
Software / subscriptions (\$)	\$
Loan payment (\$)	\$
Other fixed costs (\$)	\$
TOTAL FIXED COSTS (A) (\$)	= sum of above

Step 2 — Variable cost rate:

Variable cost rate (%)	= $(\text{product costs} + \text{commission}) \div \text{revenue}$	Typical: 35–45%
Variable cost rate (B)	e.g., 0.40 for 40%	

Step 3 — Break-even revenue:

Break-even revenue (\$/mo)	= $A \div (1 - B)$	e.g., $\$7,400 \div 0.60 = \$12,333$
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Step 4 — Break-even in client visits:

Average service ticket (\$)	From Section 2	
Break-even clients/month	= $\text{break-even revenue} \div \text{avg ticket}$	

Break-even clients/day	= <i>clients/month</i> ÷ <i>operating days</i>	Target: ≤ 6 on day 1
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Your break-even number: _____ **clients/day | \$_____ /month**

Use the free Salon Break-Even Calculator at hairsalonpro.com/salon-break-even-calculator/ to run scenario models (different tickets, utilisation rates, rent amounts).

Your Next Steps

1. Complete every section

No blanks. A question mark is a gap in your plan.

2. Run the break-even first

If Section 9 shows > 8 clients/day to break even, fix Section 4 (rent) before opening.

3. Get the numbers verified

Show Section 6 and Section 9 to your CPA before signing a lease.

4. Build the 12-month model

Use Section 8 to project your ramp. Month 1–3 will be below break-even. Plan for it.

5. Review quarterly

Update revenue actuals vs forecast every 90 days. Your plan is a living document.

