

Luxe Lounge

Elevate Your Wellness Experience



Gigi Godugu

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EXECUTIVE SUMMARY

Luxe Lounge embarks on a mission to serve as the ultimate sanctuary for holistic wellness, catering to both external and internal wellbeing needs. Our motto, "elevate your wellness experience," encapsulates our dedication to enhancing every aspect of our clients' wellness journey. Through a comprehensive array of spa and wellness services, beauty and self-care treatments, and a cafe featuring nutritious offerings, we aim to provide a seamless, all-encompassing experience.

In conducting our SWOT analysis, we have identified key factors that shape our business landscape. Our strengths lie in diversified product/service offerings, minimal capital requirements, and above-average profitability within our sector. However, we acknowledge vulnerabilities such as market volatility, low barriers to entry, and intense competition. Nevertheless, we recognize abundant opportunities for growth, driven by strong market demand, performance drivers, and a sizable target demographic spanning adults aged 18-60. Yet, we remain vigilant of potential threats stemming from sluggish revenue growth and shifting consumer preferences towards leisure time.

Our target market comprises adults seeking to prioritize healthy lifestyles, professionals seeking respite from work pressures, individuals with discerning grooming standards, athletes, and stay-at-home parents. Within the thriving wellness industry, which generates approximately \$23.2 billion annually, we operate amidst a landscape dominated by small, privately owned enterprises. Competitors range from spas and gyms to hair and nail salons, as well as hotels.

Located in Shadyside, PA, Luxe Lounge offers services priced between \$100-\$300, catering to varying budgetary preferences. Leveraging social media and influencer marketing, our promotional strategy aims to amplify our brand presence and engage with our target audience effectively.

Our operational structure comprises an owner/manager overseeing day-to-day operations, supported by an assistant manager. A dedicated receptionist handles client interactions and administrative tasks, while cosmetologists and therapists deliver exceptional services. The HR manager oversees recruitment and training, ensuring a skilled workforce, while the marketing coordinator devises and implements strategic marketing initiatives. Financial projections indicate a promising first year, with projected net sales of \$3,761,100 and a net income after taxes amounting to \$1,336,166. With total expenses estimated at \$2,383,610, we anticipate sustainable growth and profitability in the competitive landscape of the wellness industry.

COMPANY OVERVIEW

Step into an oasis of relaxation, where your internal and external wellness collide into a full body, immersive, and holistic experience. Wellness shines from the inside out, and we are here to get you glowing at every step of the way. Whether it is by utilizing one of our high-tech treatment options or opting for a physical upgrade, we want to get you looking and feeling your absolute best. Luxe Lounge is a wellness spa, where customers can come and enjoy a new experience and relax. It combines many things in one and that's what makes it special. We decided to open this business to create a new and innovative space and give our customers something they would never have experienced before.

Come see us after a long week of work to unwind and upgrade your body and your mindset. Come see us after a stressful day of running around after your kids and let us pamper you. Come see us to grab a healthy bite to eat, to stay and enjoy or take it on the go. Whatever your reason may be to come see us, we want to be your one-stop destination to all things wellness. Starting this business now was an abundant opportunity for us, and we wanted to grab the chance we had to make a change in the wellness industry. We wanted to stand out in a sector where small businesses are becoming more and more numerous and similar. Our ideal customers would be those who come to enjoy all the experiences and subscribe to our business. People will be buying by taking advantage of our services, like getting your nails done or having a cup of coffee. What sets us apart from other businesses is our ability to have several businesses in one, such as massages, manicures, and coffee shops. The more people like our company the more we'll be known and attract people and therefore be profitable.

Company Description

At Luxe Lounge, we believe in the transformative power of wellness and relaxation. Nestled in the heart of Pittsburgh, our boutique wellness spa offers an exquisite escape from the hustle and bustle of everyday life. Step into our serene oasis, where your internal and external wellness collides into a full-body, immersive, and holistic experience. Wellness shines from the inside out, and we are dedicated to helping our clients look and feel their absolute best. Whether you choose to indulge in our high-tech treatment options or opt for a physical upgrade, our expert team is committed to guiding you on a journey of rejuvenation and radiance.

Luxe Lounge is a unique wellness destination where customers can come to enjoy a new experience and truly relax. By combining a diverse array of services and amenities under one roof, we strive to provide a one-of-a-kind experience that sets us apart in the industry. It is this commitment to innovation and a holistic approach to wellness that inspired us to open Luxe Lounge. We invite you to visit us after a long week of work to unwind and upgrade your body and mindset.

Come see us after a stressful day of running errands and let us pamper you. Stop by to grab a healthy bite to eat, whether you choose to stay and savor the moment or take it on the go. Whatever your reason for visiting, we aim to be your one-stop destination for all things wellness. The decision to launch Luxe Lounge was driven by an abundant opportunity to make a meaningful impact in the wellness industry. In a sector where small businesses are becoming increasingly numerous and similar, we are determined to stand out by offering a truly unique and transformative experience for our clients.

Our ideal customers are those who seek to immerse themselves in the full spectrum of wellness services and become loyal subscribers to our brand. What sets Luxe Lounge apart is our ability to seamlessly integrate multiple businesses under one roof, from massages and manicures to a rejuvenating cafe. By providing this comprehensive suite of offerings, we aim to attract a growing customer base and establish ourselves as a trusted and profitable wellness destination.

Company History

In the bustling city of Pittsburgh, Luxe Lounge emerged from a deeply personal journey of wellness and self-discovery. Inspired by her own quest for balance and vitality, owner Gigi Godugu embarked on a holistic path when conventional medicine left her health concerns unanswered. As she delved into holistic practices, Gigi experienced a profound realization – the interconnectedness of internal wellness and external beauty. However, the fragmented nature of seeking wellness and beauty treatments across different facilities became a tiresome reality. Determined to provide a solution, Luxe Lounge was born. With a mission to cater to health-focused individuals seeking luxurious yet holistic treatments, Luxe Lounge offers a haven where the mind, body, and spirit are nurtured in harmony. Our range of meticulously curated services is designed to cater to the demands of Pittsburgh's health-conscious community, providing a sanctuary where rejuvenation and enhancement converge seamlessly. From tailored internal wellness treatments to indulgent beauty therapies, Luxe Lounge invites you to elevate your well-being and embrace the ultimate relaxation and upgrade for yourself.

MISSION AND VISION

Mission Statement

Our utmost goal is to elevate wellness through luxury and the community. At Luxe Lounge, we are committed to providing the most luxurious wellness experience in the Greater Pittsburgh area. We firmly believe that true wellness and health emanate from the outside in, and that the best facilities, treatments, and experiences are the key to unlocking the greatest benefits for our clients' overall wellbeing. Our mission is to cultivate a culture of wellness, acceptance, and inspiration, empowering our patrons to become the best versions of themselves. We recognize that health and wellness are only as exceptional as the people who deliver them, which is why we have assembled a team of the finest cosmetologists, technicians, and trainers in the industry. By fostering a supportive community of employees and clients, Luxe Lounge aims to serve as an oasis of tranquility - a place where our patrons can escape the stresses of daily life and reset, while enjoying the experience of a wellness club surrounded by like-minded individuals. We strive to be more than just a spa; we are a destination for holistic rejuvenation, where our clients can indulge in the treatments they need and immerse themselves in an atmosphere of relaxation and camaraderie. Through this comprehensive approach to wellness, Luxe Lounge is poised to elevate the health and wellbeing of our community, one luxurious experience at a time.

Tagline

At Luxe Lounge, our tagline "**Elevate Your Wellness Experience**" reflects our commitment to enhancing wellness to a higher level for our health-conscious clientele. We understand that our patrons value having access to a diverse array of high-quality products, services, and experiences that cater to their holistic wellbeing. With this in mind, we have designed our wellness center to be a true one-stop-shop, offering an unprecedented range of wellness and self-care services that have never been seamlessly integrated under one roof. By bringing together this comprehensive suite of offerings, we aim to elevate the overall experience for our clients. To further enhance this transformative journey, we have strategically incorporated a cafe into the heart of our spa. This addition allows our patrons to fully immerse themselves in a holistic wellness experience, seamlessly transitioning between indulgent treatments, rejuvenating refreshments, and moments of pure relaxation. Through this multifaceted approach, Luxe Lounge is poised to redefine the wellness landscape, providing our health-focused clients with the opportunity to elevate their wellbeing in ways they have never experienced.

MANAGEMENT AND COMPANY STRUCTURE

Gigi Godugu – Founder, CEO, and Marketing Head

As the visionary behind Luxe Lounge, Gigi has dedicated her career to empowering individuals on their wellness journeys. With a background in holistic therapies and a commitment to integrative care, Gigi leads the development of Luxe Lounge's comprehensive service offerings, ensuring that each touchpoint seamlessly contributes to the overall wellbeing of our clients.

Gigi Godugu combines her passion for wellness with a keen understanding of marketing and brand strategy. With a background in digital marketing and a deep appreciation for the power of storytelling, Gigi is responsible for crafting the company's vision and amplifying its presence in the competitive wellness landscape.

Bahishta M - Head of Spa Services

Bahishta Mohammadi, a licensed esthetician and massage therapist, oversees the delivery of Luxe Lounge's premier spa services. With over a decade of experience in the industry, Bahishta ensures that each client receives personalized attention and the highest level of care, from rejuvenating facials to soothing massages.

Anastasia R - CFO

Anastasia Romanchik, a seasoned financial professional, serves as the Chief Financial Officer of Luxe Lounge. Anastasia's expertise in budgeting, financial reporting, and strategic planning is instrumental in maintaining the company's financial health and driving sustainable growth.

Daria H - Head of Wellness and Cafe Services

Daria Heier, a certified nutritionist, and wellness coach, oversees the operations of Luxe Lounge's exclusive cafe and wellness programming. Daria's deep understanding of holistic health and her passion for creating nourishing, delectable offerings ensure that our clients leave feeling rejuvenated and energized.

Our front desk and customer service team, comprising a Front Desk Receptionist and a Customer Service Representative, are responsible for greeting customers, handling inquiries, scheduling appointments, and ensuring client satisfaction. Our spa services are delivered by licensed Spa Therapists/Technicians, Nail Technicians, and Estheticians, who specialize in various treatments.

The Operations and Facilities team, led by the Operations Manager and supported by the Housekeeping Staff, oversees the maintenance, upkeep, and cleanliness of our spa lounge.

The Marketing and Sales team, consisting of a Marketing Coordinator and a Sales Representative, develops and implements our promotional strategies, manages our brand presence, and focuses on driving sales and client engagement.

Our Finance and Administration team, including an Accountant/Bookkeeper and an Administrative Assistant, handles the financial management, budgeting, and administrative support for the business.

PRODUCTS AND SERVICES OVERVIEW

Opportunity

In today's fast-paced world, individuals are increasingly seeking respite from the stresses of daily life and a renewed sense of balance and wellbeing. However, the fragmented nature of the wellness industry often forces consumers to visit multiple establishments to address their diverse self-care needs - from relaxing massages and rejuvenating facials to healthy dining and beauty treatments.

Take the example of Sarah, a busy professional who struggles to find time for herself amidst her hectic work schedule and family responsibilities. Sarah often finds herself shuttling between the spa, the gym, and the local cafe, trying to squeeze in much-needed moments of relaxation and nourishment. This disjointed experience not only adds to her stress but also prevents her from fully immersing herself in a holistic wellness journey.

The Market Landscape

The wellness industry, which Luxe Lounge operates within, generates approximately \$23.2 billion annually and is dominated by small, privately-owned enterprises. Competitors range from spas and gyms to hair and nail salons, as well as hotels. While these establishments offer a variety of wellness-related services, they often cater to specific needs, requiring customers to visit multiple locations to address their holistic wellbeing.

The Solution

Luxe Lounge was created to address this pain point, offering a comprehensive and seamless solution for individuals like Sarah who seek to prioritize their overall wellbeing. By bringing together a diverse array of wellness services, beauty treatments, and a rejuvenating cafe under one roof, we aim to provide our clients with a truly transformative experience.

Product and Service Offerings

Our Offerings At the heart of Luxe Lounge lies our commitment to delivering exceptional service and unparalleled quality. Our product and service offerings span the following categories:

Exclusive Cafe: Indulge in a curated selection of specialty coffees, herbal teas, fresh juices, and healthy snacks, all crafted with the finest ingredients to nourish both body and soul.

Massage Services: Melt away tension and stress with our range of massage modalities, including Swedish, deep tissue, hot stone, and aromatherapy treatments.

Spa Services: Pamper yourself with our rejuvenating facials, detoxifying body wraps, and indulgent hydrotherapy experiences, all designed to leave you feeling refreshed and renewed.

Nail Services: Elevate your self-care routine with our elegant manicures, pedicures, and nail enhancements, complemented by soothing hand and foot massages.

Hair Services: Achieve your desired look with our expert haircuts, styling, coloring, and treatment services, tailored to your unique hair type and preferences.

Pricing

Service Category	Service Offerings	Pricing
Exclusive Cafe	Specialty Coffees (e.g., espresso, cappuccino, latte), Herbal Teas (e.g., chamomile, peppermint, green tea), Wellness Elixirs (e.g., detox tonics, immune boosters), Fresh Juices and Smoothies, Healthy Snacks (e.g., fruit bowls, granola bars), Protein Shakes, Mocktails and Non-Alcoholic Beverages, Hydration Stations (e.g., infused water, coconut water), Artisanal Baked Goods (e.g., pastries, muffins), Light Fare (e.g., salads, wraps, sandwiches)	\$5 - \$15
Massage Services	Swedish Massage, Deep Tissue Massage, Hot Stone Massage, Aromatherapy Massage, Thai Massage, Sports Massage, Couples Massage, Prenatal Massage, Reflexology, Scalp Massage	\$100 - \$200
Spa Services	Facials (e.g., customized, hydrating, anti-aging), Body Wraps (e.g., detoxifying, hydrating, slimming), Body Scrubs (e.g., exfoliating, nourishing, invigorating)	\$150 - \$300
Hydrotherapy and Relaxation	Hydrotherapy (e.g., hydrotherapy tub, hydro massage), Steam Room, Sauna, Vichy Shower, Cryotherapy, Oxygen Bar, LED Light Therapy	\$150 - \$300
Nail Services	Manicures (e.g., basic, gel, shellac, French, Russian), Pedicures (e.g., basic, spa, paraffin), Nail Art, Nail Extensions (e.g., acrylic, gel), Nail Repair and Maintenance, Hand and Foot Massages, Callus Removal, Cuticle Care, Nail Strengthening Treatments, Polish Changes	\$50 - \$100
Hair Services	Haircuts (for men, women, and children), Hair Styling (e.g., blowouts, updos, braids), Hair Coloring (e.g., highlights, balayage, ombre), Hair Treatments (e.g., deep conditioning, scalp treatments), Hair Extensions, Keratin Treatments, Perms and Relaxers, Hair Straightening, Scalp Massages, Beard Trims (for men)	\$50 - \$150

At Luxe Lounge, we have carefully curated our pricing to strike the perfect balance between competitiveness and the exceptional value of our high-quality products and services. Whether you're looking to indulge in a luxurious spa treatment or simply enjoy a rejuvenating cup of coffee, we offer a range of offerings to accommodate a variety of budgets. Our pricing starts as low as \$5 for select cafe items and extends up to \$300 for our most premium spa services. By providing this diverse spectrum of options, we aim to ensure that every client who walks through our doors can find the perfect fit for their wellness needs and personal preferences.

Gross Margin Projections

Underpinning our pricing structure is a thorough analysis of our operational costs, including overhead expenses, material costs, and labor. While the specific gross margin percentages may vary across different service categories, you can rest assured that we have strategically positioned our pricing to support the long-term sustainability and growth of our business.

Upgrade Paths

To further enhance the value proposition for our clients, we are proud to offer upgrade paths that allow you to elevate your experience. For instance, you may choose to upgrade your basic nail services to a premium gel manicure or spa pedicure. Similarly, within our spa offerings, you can opt for specialized facial treatments or extended massage sessions to truly indulge in a transformative wellness journey.

Attractiveness to Target Market

Luxe Lounge's pricing is designed to resonate with our target market - health-conscious individuals who value quality and indulgence, but also appreciate competitive pricing. By catering to a wide spectrum of preferences, we are confident that our offerings will appeal to a diverse range of clients seeking to elevate their wellbeing in an atmosphere of unparalleled luxury and relaxation.

Supplier and Vendor Relationships

To ensure the consistent delivery of high-quality products and services, Luxe Lounge has forged strategic partnerships with carefully vetted suppliers and vendors. This includes sourcing the finest ingredients for our cafe offerings, partnering with licensed professionals for our spa and beauty services, and collaborating with leading manufacturers for our specialized wellness equipment and amenities. By seamlessly integrating these diverse offerings under one roof, Luxe Lounge is poised to redefine the wellness landscape, providing our clients with a transformative experience that addresses their holistic self-care needs and elevates their overall wellbeing.

MARKET ANALYSIS

Industry Overview

According to IBIS World data, the wellness industry that Luxe Lounge operates within is a \$23.2 billion market. Despite the presence of successful franchises, the industry remains highly fragmented, with most operators being small, privately-owned businesses.

The industry data also reveals that highly populated urban areas, such as Pittsburgh, are ideal locations for spas, as consumers are encouraged to visit establishments that offer a one-stop shop for multiple wellness services. Additionally, the market for facilities of this nature is expected to grow, presenting a favorable opportunity for Luxe Lounge.

Health & Wellness Spas in the US

Products & Services Segmentation

Industry revenue broken down by key product and services lines.



Target Market and Potential Customers

Luxe Lounge's target market comprises health-conscious adults, primarily between the ages of 18 and 60, who prioritize wellness and self-care as part of their lifestyle. This includes professionals seeking respite from work pressures, individuals with high grooming standards, athletes, and stay-at-home parents.

According to our research, these potential customers tend to have disposable income and are willing to spend between \$150 and \$300 per visit on luxury wellness experiences. They are also likely to splurge on other high-end products and services, making them an attractive demographic for Luxe Lounge's comprehensive offerings.

Competition

Within the Pittsburgh region, Luxe Lounge's primary competitors include established spas and wellness centers such as Flora Spa, Viva Skin Lounge, Aestique Medispa, Restore Hyper Wellness, Spa Jema, and Levity.

While these competitors often excel in either spa/relaxation services or wellness/health-related treatments, they lack the ability to provide a truly one-stop-shop experience that Luxe Lounge aims to deliver. Our competitors' strengths lie in their specialized expertise in their respective areas, while their weaknesses stem from the need for customers to visit multiple venues to access the full range of services that Luxe Lounge can offer under one roof.

The competitive forces shaping the wellness industry include buyer/supplier power, high barriers to entry, the threat of substitutes, and the intensity of competition among existing players. Luxe Lounge's comprehensive approach to wellness aims to differentiate us from our competitors and capitalize on the growing demand for holistic wellness experiences in the Pittsburgh market.

Spa and Wellness SWOT Analysis

“What is our industry: Ibisworld data.”

STRENGTHS Low Product/Service Concentration Low Capital Requirements Low Imports High Profit vs. Sector Average Low Customer Class Concentration	WEAKNESS Very high Volatility Low & Steady Barriers to Entry None & Steady Level of Assistance High Competition
OPPORTUNITY Number of adults aged 20 to 64 High Revenue Growth (2018-2023) High Revenue Growth (2023-2028) High Performance Drivers	THREATS Low Revenue Growth (2005-2023) Low Outlier Growth Time spent on leisure and sports

Cafe SWOT Analysis

STRENGTH Low Imports Low Customer Class Concentration Low Product/Service Concentration	WEAKNESS Low & Increasing Barriers to Entry None & Steady Level of Assistance High Competition High Volatility Low Profit vs. Sector Average Low Revenue per Employee High Capital Requirements
OPPORTUNITY High Revenue Growth (2018-2023) High Revenue Growth (2023-2028) High Performance Drivers Per capita coffee consumption	THREATS Low Revenue Growth (2005-2023) Low Outlier Growth Consumer confidence index

MARKETING AND SALES PLAN

Key Messages

Our marketing efforts are centered around conveying the essence of the Luxe Lounge experience - a sanctuary of holistic wellness, where our clients can indulge in a transformative journey of relaxation, rejuvenation, and self-care. Our key messages highlight the following:

- Luxurious, one-stop-shop for all wellness and beauty needs
- Commitment to exceptional service and high-quality offerings
- Ability to address both internal and external wellbeing
- Personalized, tailored experiences that cater to individual preferences

Marketing Activities

To amplify our brand presence and attract our target clientele, Luxe Lounge will leverage a diverse array of marketing channels and promotional strategies, including:

- Digital marketing: Maintaining a strong social media presence on platforms like Instagram, Facebook, and TikTok, as well as implementing targeted email marketing campaigns and optimizing our website for search engine visibility.
- Influencer marketing: Partnering with influential individuals within the wellness and lifestyle spheres to leverage their reach and credibility, driving awareness and generating qualified leads.
- Seasonal promotions: Capitalizing on holidays and other key events to offer special packages and incentives, encouraging customer visits and repeat business.
- Referral programs: Incentivizing our loyal clients to refer their friends and family, leveraging the power of word-of-mouth marketing.
- Fixed signage and local partnerships: Strategically placing signage in high-traffic areas and exploring collaborative opportunities with complementary businesses to increase our visibility within the Pittsburgh community.

Sales Strategy

To ensure the seamless conversion of leads into loyal clients, Luxe Lounge has implemented a multi-pronged sales approach:

- Dedicated sales representatives: Our team of sales professionals is responsible for actively promoting our service offerings, managing client relationships, and securing new business.
- Appointment-based bookings: Clients can easily schedule their desired services through our user-friendly online booking system or by contacting our front desk staff.
- Membership and package offerings: By providing attractive membership options and bundled service packages, we aim to encourage repeat visits and long-term client retention.

OPERATIONS AND DEVELOPMENT PLAN

At the heart of Luxe Lounge's operations is the objective to provide a holistic wellness experience that promotes relaxation, rejuvenation, and overall well-being for our clients. To achieve this, we offer a range of spa treatments, including massages, facials, and body therapies, which are scheduled on an ongoing basis based on client appointments and program durations. Our Spa Manager oversees the day-to-day operations, staff management, program development, and client relations. They are responsible for delivering high-quality spa treatments and wellness services, providing personalized guidance, and supporting clients in achieving their wellness goals. To ensure the safety and well-being of our clients and staff, we maintain strict hygiene protocols, have comprehensive emergency response procedures in place, and regularly inspect our facilities and equipment. Clear communication channels have been established with both our staff and clients, allowing us to convey updates, share feedback, address concerns, and gather valuable insights to enhance the customer experience. Monitoring and evaluation are key components of our operations, as we closely track client satisfaction, attendance and participation in wellness programs, and the financial performance of our services. This data-driven approach enables us to identify areas for improvement and innovation. Lastly, we are committed to a culture of continuous review and adaptation. By regularly assessing client feedback, staff performance, and market trends, we can adjust our spa services, wellness programs, and marketing strategies to align with the evolving needs and preferences of our clientele. Ongoing investment in staff training and development ensures that our team remains at the forefront of industry advancements, delivering exceptional service and maintaining the highest standards of care. Through this comprehensive operations and development plan, Luxe Lounge is poised to deliver a truly transformative wellness experience, catering to the diverse needs of our clients, and positioning ourselves as a leader in the competitive Pittsburgh wellness landscape.

FINANCIAL PROJECTIONS

We predict to make \$7.35M in sales in 1 year.

In the financial projection for the upcoming year, we anticipate achieving sales totaling \$7.35 million. To provide a breakdown of our expenses, fixed costs of goods sold (COGS) amount to \$735,000, while fixed operating expenses stand at \$1,837,500. Variable costs of goods sold are projected at \$1,470,000, with variable operating expenses expected to be around \$2,205,000. After accounting for income taxes which are around \$198,450 and returns around \$36,750, our total sales are expected to reach \$7,313,250. After accounting for both fixed and variable COGS, totaling \$2,205,000, our gross profit is predicted to be at \$5,145,000. Moving on to operating expenses, fixed costs amount to \$1,837,500, while variable expenses are projected to be \$2,205,000, bringing our total operating expenses to \$4,042,500. Profits before taxes are calculated at \$1,102,500. Post-tax income tax deductions, the net profit for the year is projected to be \$904,050. These figures demonstrate our diligent financial planning and our commitment to achieving sustainable profitability while delivering exceptional value to our stakeholders.

Expenses

Fixed COGS is 735000
Fixed operating expenses is 1837500
Variable COGS is 1470000
Variable operating expenses is 2205000
Income tax rate is 198450
Returns are 36750
Total sales are 7313250
Fixed COGS is 735000
Variable COGS is 1470000
Total COGS is 2205000
Gross profit is 5145000
Fixed operating expenses are 1837500
Variable operating expenses are 2205000
Total operating expenses are 4042500
Profits before taxes are 1102500
Income tax is 198450
Net profit is 904050

****DOES NOT include individual costs for individually contracted cosmetologists and masseuses/therapists- their materials and equipment are individual**

Income Statement

Net Sales \$3,761,100

Less: Cost of Goods Sold \$63,000

Gross Income \$3,698,100

Operating Expenses \$1,837,500

Salary \$50,000

Labor \$50,000

Utilities \$30,000

Insurance \$376,110

Sales Promotion \$40,000










Total Expenses \$2,383,610

Net Income Before Taxes Less: Income Taxes \$1,377,490

Net Income After Taxes \$1,336,166

APPENDIXES

Appendix A – Business Model Canvas

KEY PARTNERSHIPS  <ul style="list-style-type: none"> - Salon suppliers - Providing high-quality products and equipment for the salon services - Food service providers - Supplying ingredients and equipment for the cafe operations - Equipment and supplies vendors - Furnishing specialized wellness and spa equipment - Beauty schools - Collaborating to source skilled and licensed spa therapists, estheticians, and nail technicians 	KEY ACTIVITIES  <ul style="list-style-type: none"> - Exclusive cafe services - Massage services - Spa services - Nail services - Hair services KEY RESOURCES  <p>Physical Resources: - Luxurious and well-equipped spa facility located in the heart of Shadyside, Pittsburgh - High-quality massage tables, facial beds, and other specialized wellness equipment</p> <p>Human Resources: - Experienced and licensed spa therapists, estheticians, and nail technicians</p> <p>Intellectual Resources: - Proprietary wellness and beauty treatment protocols and techniques - Exclusive partnerships with premium product suppliers and vendors</p>	VALUE PROPOSITIONS  <ul style="list-style-type: none"> - Commitment to enhancing wellness to a higher level through luxury and community - Providing the most luxurious wellness experience in the Greater Pittsburgh area - Elevating wellness through a range of specialized services and amenities 	CUSTOMER RELATIONSHIPS  <ul style="list-style-type: none"> - Personal Assistance: Dedicated front desk staff and customer service representatives who greet clients, handle inquiries, and provide personalized attention. - Personalized Service: Customized treatment plans and service packages based on individual goals and desired outcomes. Ongoing communication and follow-up to ensure client satisfaction and address any concerns. - Community Building: Fostering a sense of community and belonging among clients through shared wellness experiences, social events, and loyalty programs. Encouraging client referrals and word-of-mouth marketing through exceptional service and a welcoming, inclusive environment. CHANNELS  <ul style="list-style-type: none"> - Digital marketing: - Maintaining a strong social media presence on platforms like Instagram, Facebook, and TikTok - Implementing targeted email marketing campaigns - Optimizing the website for search engine visibility - Influencer marketing: - Partnering with influential individuals within the wellness and lifestyle spheres to leverage their reach and credibility - Seasonal promotions: - Offering special packages and incentives during holidays and other key events to encourage customer visits and repeat business - Referral programs: - Incentivizing loyal clients to refer their friends and family, leveraging the power of word-of-mouth marketing - Fixed signage and local partnerships: - Strategically placing signage in high-traffic areas - Exploring collaborative opportunities with complementary businesses to increase visibility within the Pittsburgh community 	CUSTOMER SEGMENTS  <ul style="list-style-type: none"> - Health-conscious adults, primarily between the ages of 18 and 60 - Individuals who prioritize wellness and self-care as part of their lifestyle. The business plan further elaborates that this target market includes: <ul style="list-style-type: none"> - Professionals seeking respite from work pressures - Individuals with high grooming standards - Athletes - Stay-at-home parents. The key characteristic of this target segment is that they tend to have disposable income and are willing to spend between \$150 and \$300 per visit on luxury wellness experiences.
COST STRUCTURE  <p>Service Category: Exclusive cafe services, Massage services, Spa services, Nail services, Hair services</p> <p>Pricing: Massage services: \$100 - \$200, Spa services: \$150 - \$300, Nail services: \$50, Hair services: \$50 - \$150</p>			REVENUE STREAMS  <ol style="list-style-type: none"> Spa Services Revenue: - Massage treatments (e.g., Swedish, deep tissue, hot stone, aromatherapy) - Facial and body treatments (e.g., rejuvenating facials, detoxifying body wraps) - Hydrotherapy experiences (e.g., hydro massage, Vichy shower) Beauty Services Revenue: - Manicures and pedicures (e.g., basic, gel, shellac, specialty) - Hair services (e.g., haircuts, styling, coloring, treatments) Cafe Revenue: - Sales of specialty coffees, teas, wellness elixirs, and healthy snacks - Revenue from light fare, such as salads, wraps, and sandwiches Membership and Package Revenue: - Monthly or annual spa and wellness memberships - Pre-paid service packages (e.g., hair, nails, and facial package; unlimited spa services) Retail Revenue: - Sales of premium wellness and beauty products, such as skincare, aromatherapy, and nail care items Event and Rental Revenue: - Hosting private events, wellness workshops, and corporate retreats - Renting out designated spaces within the Luxe Lounge facility 	

Appendix B - 3 Year Pro Forma Financial Projections

PRO FORMA INCOME STATEMENT FOR LUXE LOUNGE				
INCOME STATEMENT ASSUMPTIONS:				
		Year 1	Year 2	Year 3
		7,350,000.00	8,400,000.00	9,240,000.00
Sales		\$ 7,350,000.00	\$ 8,400,000.00	\$ 9,240,000.00
Average price per sale		175	200	220
Fixed cost of goods sold	0.1	-735000	-840000	-924000
Fixed operating expenses	0.25	-1837500	-2100000	-2310000
Depreciation expense		-	-	-
Interest expense		-	-	-
Variable cost of goods sold	0.2	-1470000	-1680000	-1848000
Variable operating expenses	0.3	-2205000	-2520000	-2772000
		\$ 1,102,500.00	\$ 1,260,000.00	\$ 1,386,000.00
Income tax rate	0.18	\$ 198,450.00	\$ 226,800.00	\$ 249,480.00
Sales		\$ 7,350,000.00	\$ 8,400,000.00	\$ 9,240,000.00
Less: Returns	0.005	\$ (36,750.00)	\$ (42,000.00)	\$ (46,200.00)
Total Sales		\$ 7,313,250.00	\$ 8,358,000.00	\$ 9,193,800.00
Cost of goods sold:		7,350,000.00	8,400,000.00	9,240,000.00
Fixed cost of goods sold	0.1	-735000	-840000	-924000
Variable cost of goods sold (20% of sales)	0.2	(1,470,000.00)	(1,680,000.00)	(1,848,000.00)
Total cost of goods sold		(2,205,000.00)	(2,520,000.00)	(2,772,000.00)
Gross Profits		5,145,000.00	5,880,000.00	6,468,000.00
Operating expenses				
Fixed operating expenses	0.25	-1837500	-2100000	-2310000
Variable operating expenses (30% of sales)	0.3	-2205000	-2520000	-2772000
Depreciation expense				
Total Operating Expenses		-4042500	-4620000	-5082000
Operating profits				
Interest Expense (10%)				
Profits before taxes		1,102,500.00	1,260,000.00	1,386,000.00
Income Tax		198,450.00	226,800.00	249,480.00
Net Profits		904,050.00	1,033,200.00	1,136,520.00